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EGYPT FOR THE EGYPTIANS

A RETROSPECT AND A PROSPECT.

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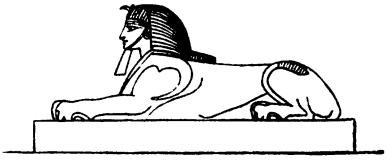

"What we wish about Egypt is that it should continue attached to the Turkish Empire, which is a security against its belonging to any European Power. We want to trade with Egypt, and to travel through Egypt, but we do not want the burthen of governing Egypt."—*Letter of Lord Palmerston to Lord Clarendon, March* 1, 1857.

"We had no business to go into Egypt."—*Speech of the Right Hon. W. E. Gladstone, M.P.*

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PREFACE.

THE thorough execution of the Treaty of Berlin was the chief source of international anxiety last year, and continues to be the subject of pre-occupation in the diplomatic circles of Europe at the present time. The execution of the Treaty remains far from complete; but when we contrast the work that was done towards the general settlement in 1879 with the prognostications of the pessimists, and the assertions of the enemies of the late Government that the Treaty would soon become a crumpled mass of waste paper; we have every reason to be confident that a way will be found out of even the present conglomeration of messes, which the innate vices of Turkish statesmen have made on the shores of the Bosphorus.

It has been said so often that the sick man is *in articulo mortis*, that people now pay little attention to the declaration that there must soon be an end of Turkey as an Empire. And people are right. Light will come out of the present gloom; and freed at length from the hosts of parasites who have lived on his wasting frame so long, the Sick Man, under Western treatment, will presently shake himself—and revive.

In order to do this he has to rid himself of all the ravenous folk who have thrived by his sickness, and would be ruined by his regeneration. It is best to be off with

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the old *régime*, before you are on with the new. There must be a thorough riddance of the antiquated Turkish element. The Palace must be purified. The public offices must be cleansed; nay, the very streets must be cleared of the "*fripperie ambulante*" which chokes all healthy life out of Stamboul. The "capitulations" must be remodelled; and there must be a sincere and hearty *rapprochement* between the enlightened Mohammedans and the reforming Christians.

This will come; and out of it may spring two empires in the East of Europe, in which the letters and the arts will flourish, which will be the fast friends of the Western Powers, allied to them by bonds of common interests and of mutual sympathies. Such a consummation of the Eastern Question will be the reward of patience under many trials; and of resolution in the face of a long succession of difficulties. We perceive already signs of amendment in the Turkish character, and of new light breaking through the ancient prejudices of race. The appearance of men like Midhat Pasha on the scene of Oriental politics, is an event of immense significance The birth of a native public opinion in Egypt is auspicious. The blind, uneasy movements that, in the words of the poet, "foretell a higher life," are distinctly perceptible even in that description of a street in Pera, which the Constantinople correspondent of the *Standard* published on the first day of the year. We have a shocking picture of the streets, and of the shivering folk, covered with rags, stealing through them; but in the account of Blacque Bey, the head of the municipality, endeavouring to pave those streets, there is a fact full of promise to the man who will be at the pains of analysing it.

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Regarding the regeneration of the provinces of the Turkish Empire as a duty that has been committed to the enlightened energy of the Western nations; the generous settlement of the claims of Greece as the best solution of many of the difficulties with which the Eastern Question is still surrounded; the creation of a strong native Government under a competent Prince, untrammelled by the creatures of Ismaïl and his family, as the only real solution of Egypt's troubles, and the best safeguard of our road to India; and the establishment of a thorough overland route to our Eastern Empire, as at once a measure of prudence for England, and the best means of carrying the civilisation of the West towards the heart of the East; we beg to submit the following pages to the public as material gathered from many authentic sources, for the better understanding by English readers of the true relations that remain to be established between this country, and the country which holds the keys of the gates of India.

The British public must be inclining by this time to Mr. Gladstone's opinion that, "we had no business to go into Egypt;" that is, "we had no business to thrust ourselves in as governors, in partnership with France." Stock Exchange correspondents of daily papers, friends of the Khedive in Cairo who have reasons for producing fair weather pictures of the new state of Egyptian affairs, and other unreliable feeders of the public appetite for news from the banks of the Nile, may join together to give an upward impulse to Egyptian securities; and the meddlesome policy may be backed by the millions of party financiers; but the course of affairs will not the less inevitably lead in the end to disaster, if our present Anglo-French partnership in the administration of the

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first province of the Turkish Empire should be carried on as it stands. A quarrel sooner or later between England and France will be the result. Already there are indications of it, that, should the Government leave them unnoticed, will very soon force themselves upon the attention of Europe.

We have faith, however, in the new House and the new Administration; and it is to them that this retrospective review, with the prospect it foreshadows, is addressed.

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CHAPTER I.

SOVEREIGN CONSULS.

IN an important first article that was reproduced far and wide, and that provoked commentaries in every part of Europe, the *République Française* of the 8th of February drew attention to the disturbing and dangerous rivalry that has been growing up of late between the Consuls and vice-Consuls of England and France in the East. The journal in question calls these Levantine Consuls—Sovereign Consuls—*Consuls Rois*. They are absolute Sovereigns—responsible only to the Government which employs them; and they cast their protection over Europeans, making them independent of the laws of the country in which they are domiciled. The Consul of a Western Power in the East is a personage whom the nations regard with awe, and his countrymen are superior beings, and not to be judged like ordinary mortals.

This was all very well, and worked pretty smoothly while Consuls were content to live on terms of friendly equality together; but of late years they have, at the instigation of their Governments, entered upon a career of competition for influence, which has at length manifested itself in many dangerous forms. The peril is particularly striking in the recent attitude of English and French consular agents, and even of Ambassadors in the East; and the *République Française* points to it, asking what it all means, and where it is to end?

"Is France bent upon disputing with England her

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influence in the East? Has she an eye upon India? To put this question is to command a general negative answer. Neither do we suppose that the English Government hopes to supplant French influence in Syria or in Egypt, although Sir Henry Layard continued to speak at Beyrout and Damas in terms, the echoes of which have reached us, but which we decline to repeat. There is in this question, however, matter worthy the attention of the Cabinets of London and Paris. We believe that an examination of it will lead the two Governments to acknowledge, that if the rivalries of their agents have become traditional, the interests of both countries will gain by their giving such instructions to their representatives in the East as shall efface this tradition."

The effect of the pressure put upon the Ottoman Government, by rival Ambassadors at the Porte, has been to paralyse reform. It has taken the heart out of the few liberal Turks who ardently desire to see their country start on an independent path of progress.

*One of them, who has hitherto been represented as an Anglophil *par excellence*, was asked the other day, what progress was being made towards administrative reform. He replied, in the most deliberate manner, as follows: "You know, as well as we do, that we cannot possibly achieve one half of what you claim of us; and if you continue to hamper us we shall be able to do scarcely anything at all. If you expect to find goodwill on our part, why seize every opportunity of humiliating us before Europe? Do you suppose you can hold us up to contempt one moment, and turn round the next for some proof that we still regard you as our best friends?" Another Ottoman official, holding a responsible position at an Eastern Court, lately said to an English gentleman who was conversing with him on the same subject: "Oh, we shall be most happy to attain to the reforms if you will take the initiative for the

* Vienna correspondence of the *Daily Telegraph*, February 9th, 1880.

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abolition of the capitulations." On the same authority, it is stated that the Porte no longer thinks of endeavouring to assist England in avoiding trouble on her Indian frontier. All this shows clearly enough how matters stand at Constantinople just now.

They stand ready to the hand of the new Russian Ambassador, M. de Novikoff, who will not fail to take advantage of a most favourable opportunity for showing the Sultan that the Treaty of Berlin has settled very little, and that the final solution of the Eastern Question has yet to be arranged—a proposition in which he is backed by Baron Haymerle's recent statement to the Delegations.

What hopes of steady progress, or indeed of any progress at all, can there be in a Government like that of the Sultan, which is paralysed at its centre by the rivalries of the Powers, fighting, not for the good of Turkey, but for their own objects. The struggle has been going on from the beginning of the century; and it has tendered fully as much as the vices and ignorance of the Turks themselves to reduce the Ottoman Empire to the ruin that is now overtaking it.

The example of Turkey should surely have acted as a solemn warning to us in our dealings with her vassal province—Egypt. But what has been our course in the Valley of the Nile; and to what is it likely to lead—nay, to what certain difficulties has it not already led us?

The following pages are simply so many *mémoires pour servir* in elucidation of this question. They will show, not by ingenious argument, but by a marshalling of facts from many sources of information, how the present dangerous meddling in the internal affairs of Egypt has grown upon the two Western Powers; and the peril to the peace of Europe and the sacrifice of the prosperity of the country, which has been taken in European possession, which must be the consequence of it.

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CHAPTER II.

THE REFORM PARTY IN TURKEY.

WHAT is the condition of the Reform Party in Turkey at the present moment? The correspondent of a morning paper, in a letter dated the 26th of January, gives us the following most gloomy picture—one that we can well believe has made even stout-hearted Sir Henry Layard despair of his friends:—

"The most philo-Turkish men I know, men who until quite recently buoyed themselves up with the hope that, under the friendly advice of England, the Turks might be led to make all sorts of beneficial changes, are those who are now most depressed. A policy of friendliness to the ruling race, even at the expense of injustice towards the subject races which happened to be Christian, has been tried, and has proved an absolute failure. Sir Henry Layard came here as an admirer of the Turks, and one who was believed to have their entire confidence. With a view of carrying out a policy of friendliness to the Turks, probably no better choice could have been made. That he has succeeded better in obtaining the goodwill of the Sultan than probably any Ambassador who has ever been here may be taken as evidence that he was the right man to carry out such a policy. The Turkish Ministers have regarded him as the representative most friendly towards them. If, therefore, any Ambassador ought to have succeeded in inducing the Turkish Government to accept

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English proposals of reform, he was the man for the post. His labour has been unremitting, and yet the fruit is next to nothing. In certain apparently unimportant matters he has succeeded, but every success has been bought with an expenditure of labour out of proportion to the result obtained. Every success also has had a set-off, which shows that it has been conceded by the Turks in a hostile spirit and with a spirit of resentment. When Kiamil Pasha was dismissed from the governorship of Aleppo for his cruelties to the Armenians, and, on the strong representation of Sir Henry Layard, he was immediately promoted to a higher post. When Baker Pasha was appointed Inspector-General of Reforms in Asia Minor at the dictation of England, the project of European gendarmerie was abandoned. It is commonly believed here that a Turkish naval officer has been sent into Armenia to thwart him at every step. When the editor of the Palace organ, after being allowed to abuse England in terms ten times stronger than would have been permitted by the censorship in the case of any other Power, was remonstrated with, he was at once marked out at the Palace for reward. When, in the late Mollah incident, Sir Henry Layard demanded the dismissal of Hafiz Pasha, the Sultan is understood to have taken the responsibility upon himself, and Hafiz has not only been retained in his place, but has been successively appointed member of the Superior Council of the Ministry of War, decorated, and made an aide-de-camp to the Sultan. There is, therefore, not merely a refusal of English demands, but a petty resentment at their being made, which shows how entirely the policy of conciliating the Turks has broken down.

"In the successive changes of Ministers which have taken place the reforming element has been got rid of. Midhat and Khairreddin are the two men who, as Grand Viziers, have most seriously taken in hand the question of reform. Neither has now the slightest influence on the policy of

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the country. A man not inferior to either of them in ability is the last Minister of Foreign Affairs, Caratheodori Pasha. Mr. Hanbury would probably call him a Phanariot Greek, and, as Mr. Hanbury speaks, in his article in the *Nineteenth Century*, of the corruption of the Phanariot Greeks, I may incidentally be allowed to remark that his statement, like a great many others in his paper, is nonsense. Before he charges the Phanariot Greeks with corruption, he should first inquire whether there are any Phanariot Greeks. He would then learn that in the sense in which he uses the term there are none, and that his phrase is about as applicable as if he said that England has not yet got rid of the cropped hair of the Roundheads. The present Greeks of the Phanar have about as much influence on politics as the butchers of Wapping. Caratheodori is a Greek against whom, in an atmosphere of corruption, I have never heard a suspicion of dishonesty. He represents a class of his countrymen who regard this country, and not Greece, as their home, and who have been sincerely anxious to find a satisfactory *modus vivendi*. Such men, if in Turkish employ, and I regret to say there are very few of them, would form the very best material for a reforming party in the Government. He also has been excluded from office, and the fact that he was suspected of being desirous of carrying out the reforms suggested by Sir Henry Layard is the one which will tell most against his chance of returning to office. It is useless to speak of smaller men, or it would be easy to give the names of men who have been got rid of because of their reforming tendencies. The three most influential men in Turkey, excepting perhaps Said, the Grand Vizier, are Osman Pasha, and Riza Pasha, and Osman Bey. All these are conspicuous for their determination to stand in the ancient ways, and to resist all European interference in general, and English interference in particular."

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"It happens in Turkey, as perhaps in other countries, that the non-reforming party is also the fanatical party. In various directions there has been a clear gain to this party. The Sultan is himself a devout believer, and is credited with acting in accordance with direct inspiration, as indicated by the divination of a Mollah. Left to himself, his wish would probably be to live quietly, be very amiable to all about him, and watch the prosperity of his people. But the people around him are those of the reactionary party. The few good men who have been at the Palace are there no longer. Said Pasha—'English Said,' as he is called, to distinguish him from the Grand Vizier—is no longer Marshal of the Palace, but is at Marash. Hassan Fehmi, after having been dismissed from the Palace, has recently been appointed Minister of Public Works. The Mollah incident is one which could not have occured five years ago. Then nobody in Constantinople would have cared whether or not a Moslem chose to make a few piasters by revising the translation of a Christian book. Dozens of such revisions have been made, and have never attracted attention, though it must have been quite well known to the Turks that Moslems of as good position as that occupied by Tewfik have given help in them. The persistence in trying to punish Dr. Koeller's assistant, is due, in part at least, to this development of the fanatical spirit. In their determination to find a ground of offence against him, the Government went so far as to produce what they characterise as, and what probably is, a blasphemous pamphlet, which they allege was found in Dr. Koeller's hand-bag when he was arrested. The blasphemous pages are marked across by the Sultan's own hand. But Dr. Koeller has made an affidavit in the English Court by which he swears that no such pamphlet was ever in his bag, unless it was put there after his arrest, and Englishmen will have no doubt—strange as such a statement might appear to Turkish officials—of Dr. Koeller's statement.

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But the fact is one which illustrates what is the spirit which now actuates the fanatical party. The allegation made in the organ of the Palace, that England's demand for the surrender of Dr. Koeller's papers meant that she had determined to undertake the conversion of Turks to Protestantism, shows to what recklessness of statement this party is willing to commit itself."

To this account of the pass to which the rivalries of Western diplomatic agents in the East have brought affairs, let us add the testimony of an English merchant, resident in Constantinople. Addressing the *Times*, on the 16th January, he says:—

"In the letter which I had the honour of addressing to you in November last, I stated that the object of the Turkish governing class was to inspire hatred of England in the minds of the governed. The Ahmed Tewfik incident very soon transpired to prove my assertion, for although to a certain extent the condemnation of this Mollah to death for simply correcting translations of religious works made by a Protestant missionary may be attributed to the religious fanaticism of the Sultan and his surroundings, I do not hesitate to assert that the main object in view was to convince the lower classes that England is a proselytising nation, and that her seeming interest in the Turks arises directly from a desire to upset their whole faith. Although none can help approving the action of her Majesty's Ambassador, still we deem it unfortunate that the first direct issue should have been taken in a matter like this, and all the more so, because the other complaints, formulated at the same time, have not been satisfied. The Minister of Police, Hafiz Pasha, the hero of Bulgarian notoriety, the persistent enemy and insulter of Englishmen not only remains in power, but, what is worse, receives fresh honours from the Sultan; so that Sir Henry Layard's action against him is each time followed by new decorations, and new titles; and England's inability to

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obtain justice becomes the laughing-stock of the public.

"The Dèfterdar of Angora, one of the chief officers in that important vilayet, sees fit to insult a respectable Englishman in open court, calling him a dog and other viler epithets, then proceeds publicly to heap insults on England as a nation and on her officials. Her Majesty's Ambassador demands his immediate dismissal; but so far the man remains in power, the English name is lowered in a most important part of Asia Minor, and every Turkish official is thereby openly encouraged to frustrate England's aims.

"It is a fact, that the position of individual Englishmen in this country is gradually becoming well-nigh untenable. All we ask for is that we should be placed on the same footing as other foreign nationalities. We do not ask for any exceptional privileges because we are Englishmen, but when, for instance, and this is one instance out of many, we see our goods seized and appropriated by the Turkish authorities, simultaneously with and under identically the same circumstances as the goods of Italian, Austrian and Greek competitors, and these last obtain speedy justice, whereas we, because we are Englishmen, have to fight for years and yet cannot obtain redress, is it to be wondered at if we acutely feel our position, and press for a change in the policy which tends to ruin us as merchants, to degrade the name and the influence of our country, and to directly frustrate its political aims?

"The present enmity of the Turkish governing class against England is passive. There is even yet a certain decorum given to insults cast upon her and her subjects; but the time will come when the veil will have to be torn away, and when the enmity will be undisguised and open. If by that time our influence has been lowered still further, and the masses have become ingrained with the notion that to trust in England is but a broken reed to lean upon, is it likely that we then shall be able to prevent a

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Russo-Turkish or any other alliance which may be detrimental to England's best interests? This we still can do, for the population in all probability could be made to side with us against its rulers if such circumstances as the above arose; but with a continuance of our past policy of weakness it will not take many years to change all this, and we may then bitterly but unavailingly regret the past inability to see things Oriental in the light of the mature experience of a merchant."

This is the condition of affairs, we repeat, to which the rivalries of Western agents in the East have brought our relations with Turkey. It is likely to become even worse in the presence of the half-smothered hostilities of the English and French Ambassadors which have appeared of late, giving a fresh impetus to the intrigues of the Russian Chancellery. Our difficulties and our failure proceed from our too easy assumption of responsibilities, from which our rivals in diplomacy keep themselves free. We meddle and we meddle perpetually. We force upon the attention of Europe the ridiculous contrast which is for ever appearing between our professions and performances. The Turks have been the most constant and watchful witnesses of our changeful moods; and they have come to regard us as not to be feared in our anger, nor to be trusted when we offer friendship and protection. Harassed by the treacherous shiftings of public opinion at home, the British Government has never fully shown the courage of its opinions; and this failure, when put in juxtaposition with their assumption of the functions of regenerators of Asia Minor, and rehabilitators of the Turk, has, at length, drawn upon us the contemptuous hostility of the blood-stained Pashas who now monopolise the favours of the Sultan, and the high offices of the Ottoman Empire.

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CHAPTER III.

OUR INVASION OF EGYPT.

IN his work on Russia and England in Central Asia* Dr. F. D. Martens has laid down the principles of law susceptible of application in our intercourse with nations of a culture, essentially different from our own. He contends that international law is only applicable between nations which have attained *nearly* a like decree of culture and progress, and whose reciprocal relations are in general founded on like wants of life, like feelings, like moral aspirations, and like conceptions of law and justice. And for these reasons he holds with reason that it is unfair to expect Asiatic natures to observe rules elaborated during centuries of intercourse between Christian and civilised nations. In support of this view he quotes John Stuart Mill—"To characterise any conduct whatever towards a barbarous people as a violation of the law of nations only shows that he who so speaks has never considered the subject." There is no law of nations among the native states of Central Asia; nay, it is the Moslem's inability to comprehend such a law, as it is understood by the civilised communities of Europe, which has led to the never-ending

Russia and England in Central Asia. By F. D. Martens, D.C.L., Professor of International Law at the Imperial University of St. Petersburg, etc., 1879. W. Ridgway.

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troubles of the Eastern Question. Our views of the laws of nations which must appear to him to be concentrated in the assumption that we may dictate our laws to him, and to lead even to the imposition of our religion upon him, cannot fail to be distasteful to his mind—let him be the most enlightened member of his creed and race. Our superior airs provoke his wrath. We are not modest in our bearing towards people whom we regard as benighted and inferior. The Turk is a polite man, and we are a rough race. He can bear the interference of the polished Frenchman, or the more plastic Russian better than that of the Englishman, with his "brutal frankness." Therefore, when it is made clear to him that he cannot rely on the Englishman's protection, and can hope for no more of his money, he turns with relief to the smooth tongues of Paris and St. Petersburg.

Hence our present position in Constantinople—and in Cairo. Of all the European nations who have colonies in the East, we are the least sympathetic to the Eastern nations; and for this reason it behoved us to be the most discreet, and to base our influence upon solid grounds, instead of provoking a general irruption of European agents on the Bosphorus and on the Nile, by which our prestige and our power were certain to suffer.

By our recent policy, especially in Egypt, we have proved that we have failed to comprehend the essential differences which separate Moslem from Christian communities—the Saxon and the Frank from the Turk and the Egyptian. By our blundering into Turkey and into Egypt with Frenchmen, Germans, Austrians, and Italians at our backs, we have diminished our own influence, and created that of a number of rivals. We have done more to our own disadvantage, for we have absolutely caused a diplomatic invasion of the land of the Nile; and set up a joint government with France of a Turkish province under the jealous inspection of a circle of European diplomats. Instead of

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confining ourselves to advice and support; instead of insisting upon a scrupulous general respect for the two countries it was our interest to preserve, by promoting their better government and their prosperity, in harmony with their religion and their ancient laws and customs; we have sown the seeds of a religious enmity against us on the Bosphorus and on the Nile, which both the Sultan and his vassal can use at any moment to prevent a rising against European domination.

Under the smiling aspects of the European rule in Egypt at this moment, there lies as unmistakably as in gloom-oppressed Constantinople, a hatred of European—that is of Western—intervention. which may some day give us troubles more disastrous than any which have yet sprung from the East. When it suited our immediate purpose—and it is only immediate purposes we have ever pretended to serve of late in the East—we have preached the law of nations to the Turks, and when it was consistent to break this law, we have broken it, or compelled the Porte to break it. Again, we have put aside all law, when it has so pleased us. Our conduct towards Egypt, after the fall of Ismail Pasha, and even before his fall, is not defensible on any law of nations. The Porte exercised his undisputed right, as suzerain, in deposing a dissolute and spendthrift Khedive: and was ready to act up to the solemn treaties of the Powers between Turkey on the one hand, and Mehemet Ali on the other, in giving Egypt for Ismail's successor, the eldest living male member of Mehemet Ali's family, viz., his own son, Halim Pasha. This would have been in accordance with the treaty law of Europe, with the traditional law of the East, and the law of the Koran; moreover, it would have given Egypt a wise, a strong, a liberal, and an experienced ruler—the tried friend of the fellaheen, and the sincere slave-abolitionist.

It is said that the Marquis of Salisbury inclined to this wise and honourable course. He probably saw that it

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would have given Egypt a strong independent Government, under a moral, economical and far-seeing Prince, who would have been the firm and enlightened friend of England, and who would have kept Cairo clear of European politics and intrigues. But, in an evil moment, he gave way to M. Waddington, who favoured a policy of joint intervention, with a pliant puppet in the palace of Abdin—for the sole reason that he perceived in the joint controllership, which was part of his plan, such a footing for France in Egypt, as she had never held, and as she has no good claim to hold.

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CHAPTER IV.

THE ORIGIN OF EGYPT'S DIFFICULTIES.

HAVING driven Ismail Pasha from the scene, and put up a weak instrument in the person of the present ruler, the two Powers made a serious effort to set financial matters in order, to their own taste, if not to that of the Egyptians. The better to appreciate these endeavours, we propose to draw up a summary of the financial history of Egypt, so far as this relates to modern affairs. For this purpose we shall consult principally "L'Histoire Financiére de l'Egypte, depuis Saïd Pasha,"[1] Mr. Goschen's pamphlets, the work of the Commission of Inquiry, the Blue-books of the British, and the Yellow-books of the French, as well as other documents. The first of these works is based to a great extent on official documents, combined with personal descriptions of the principal leaders in Egyptian politics, and this is most essential in a country governed by the will of a ruler rather than by the force of public opinion. Instead of studying the nation, the investors in Egyptian loans should have studied the character of the Egyptian Khedive. On him everything depended; he could prevent the settlement of debts which ought and could have been paid. He could, and actually has, ruined a most wealthy nation. The melancholy experience resulting from this fundamental blunder was

[1] J. C. [Jean Claudy], Histoire financière de l'Egypte depuis Saïd Pacha, 1854-1876, (Pa...

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particularly painful to bear, as it fell on Europe so soon after the enormous losses resulting from the collapse of the Honduras, Haïti, Peruvian, and Turkish securities. But we occupied none of these countries, nor even imposed a controller upon them.

To Saïd Pasha belongs the questionable honour of having launched the first Egyptian loan on the money markets of Europe. Mehemet Ali and his eldest son, Ibrahim Pasha, reorganised the whole country, and fought heroically for its independence, with no other resources than a slender Budget, amounting to about two millions sterling. Even Abbas Pasha, in spite of his wild and violent character, and his unsociable disposition, administered the country with order and economy. And when death, the death of a horrible and mysterious description, came upon him in his Palace at Benha, not only was Egypt prosperous, but his eldest son, El Hami Pasha, inherited a fortune of £1,000,000, and this without counting his landed properties, which were immense. This fortune, it is well known, was all squandered in less than two years, and El Hami Pasha died insolvent. Then it was that Saïd Pasha came to the throne on the 14th of July, 1854. On his accession the fellahs hoped that they were redeemed from the oppression they had recently endured. The terror that Abbas Pasha inspired throughout Egypt had plunged the population in despair; while the good-natured and easy-going disposition of Saïd Pasha was known to all. It is true that in his youth he had given vent to excesses of passion, but the evil deeds committed in such moments were attributed to his surroundings rather than to himself. Nor were the hopes the fellaheen are said to have conceived frustrated. The resources of the administration at Cairo were soon extended. At the same time an event of the deepest importance occurred, which was destined to prove most disastrous to Egyptian finances. In November, 1854, M. F. De Lesseps, in response to an invitation from

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the Viceroy, arrived in the camp of Harea with a report on the piercing of the Isthmus of Suez; and, a few days later, the firman granting the concession for the construction of the canal was signed. This act threw wide open the doors of the Delta to the Europeans, and thus struck a fatal blow at the independent power of the Egyptian Khedive, a power which now appears to be lost for ever. Unfortunately Saïd Pasha was too light-hearted, too fond of display, too anxious to be surrounded on all occasions by a gay but expensive retinue, and soon the fellahs began to feel the cost of such a rule. It was not long before the taxes failed to yield sufficient for the exigencies of an extravagant Court, and as the treasury was empty, empiric methods had to be employed to meet the newly-created necessities of the day.

Originally, the Minister of Finance was content with over-drawing his account at some of the banks at Cairo, and had put the balance to rights again by giving over nominative and non-transmissible bonds. These bonds, however, were not only renewed when they fell due, but important additions were made to the liabilities of the country.

The credit of the Egyptian Government would soon have been exhausted if its action had long been restricted to so narrow a circle. Some capitalists then suggested the issue of Bonds to be paid to bearer at fixed dates; but this was a dangerous strategem, for these bonds escape all control. The Government was at liberty to issue as many bonds as it thought fit; no one knew how many had been given out, or what was the extent of the liabilities the Government had incurred. Nor could the country rely with any sense of security on the wisdom and moderation of the personal and absolute power that held the reins of Government. Nevertheless, these new securities found many eager purchasers. They were so readily discounted that all the Stock Exchanges, whether large or

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small, accepted the Egyptian Stock. Thus the Viceroy obtained promptly all he required; but, unfortunately, instead of waiting till there was a serious demand for money, the public went in advance of public requirements, and insisted on lending money when it was not absolutely required. Saïd Pasha consequently gave full reins to his passion for building, pulling down, and rebuilding. In all this he allowed himself to be robbed on all sides by contractors and various persons concerned on his works. In fact, if he spent public moneys recklessly, it must at least be acknowledged that he "paid like a lord."

The love of building and extravagance gained so much ground that soon the officials in the employ of the Government found that their salaries were no longer paid with the accustomed regularity. This led to a combination which was certainly not Eastern in its idea; the officials drew bills on the Government for their arrears of salary, and thus the grocers and bakers and other tradesmen who had sold their goods to the Government clerks, became by the possession Government creditors, and began to clamour for payment. This caused considerable difficulties, but as the Government could not apply the bastinado to tradesmen, it had to pay the bills. The payment was, however, at best but irregular, and preference was given to certain bills, which were, therefore, more easily discounted. This gave rise to numerous speculations. Bills were discounted at fabulous rates, fixed according to the difficulty experienced in obtaining money from the Government. But, nevertheless, the need of money was so great that a large number of bills were sold, and a large number of Sarrafs of the Mouski and other quarters of Cairo made large fortunes out of them. In spite, however, of all these expedients, the distress became so acute that on one occasion the Khedive actually seized the funds belonging to the orphans and the Dépôt des Successions. This unscrupulous act produced about £500,000 of ready cash—

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which was a mere mouthful to so greedy an appetite.

The reign of Saïd Pasha was thus prolonged to 1862, when, in spite of his iron constitution, the excesses he had committed began to tell upon his health, and he felt serious symptoms of the disease destined to end fatally. The doctors suggested a journey to Europe, which would supply an excuse for rest, and political pretexts were not long wanting to give such an expedition the appearance of a State affair. Unfortunately, travelling is expensive; and not only is it expensive, but it requires a large supply of ready cash—just the very article which was most scarce in the Court of the Viceroy. It was at this point that the raising of a loan in Europe was decided. Indeed, there was no other means open by which the exigencies of the Treasury could have been met. The country was exhausted; while on the other hand the spirit of speculation, which gained so much ground under the Empire, had reached the stage of complete development. Persons who possessed any capital were all in quest of large interest. Since the days of Law, no one had known such a fever of speculation. On the other hand, the scarcity of cotton consequent on the American War attracted the attention of speculators towards the East, and more particularly to Egypt. This is the more readily understood as the credit of the ancient city, in spite of its internal difficulties, was untouched abroad. These circumstances were quite enough to excite the avarice of the European speculators, and, indeed, the intentions of the Viceroy were hardly made known when a number of agents, speculators, and stock-jobbers came in swarms around him, with offers to assist him, and render the downward path easy. After several weeks of negotiation, the Bank of Saxe Meiningen gained the Khedive's support. The intrigues that led to this result would be too long to relate. The agreement between this bank and the Government of Egypt was signed on the 18th of March, 1862.

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This convention is curious on more than one account. It began by the statement that "Saïd Pasha, desirous of obliterating the Egyptian Floating Debt, contracts a loan, &c., &c. The object held in view was, it will be seen, of the most honest description, and the purse of investors was easily opened by so laudable a proposal. Unfortunately in this, as in so many other circumstances, the motive of the loan was only a bait, contrived to deceive the public. The sum required to clear off the Floating Debt was only £1,600,000, a mere trifle, if compared with what we have seen in subsequent years. The money-lenders consented to receive thirty annual payments of £176,000 each, with eleven per cent. interest and amortisation, to be guaranteed by the revenues of the Delta, which were then estimated at about £640,000. To this should be added the commissions, and the various forms of remuneration given to the agents who had helped to raise all this money. We will not inquire into the nature of the securities offered. This concerns principally those who lent the money. It is, however, important to note the complete dependence which Saïd Pasha proclaimed. He seemed to lean on the Porte for all his acts. Article VIII. stipulated that the Bonds should be signed by the Minister of Finance, by the Viceroy, and by a special delegate authorised by the Sultan. Finally, to avoid all misunderstanding, Article XVI. of the Convention is to the effect that if the arbitrators, who were to be appointed in equal numbers by both sides, failed to agree, then the Sultan should act as Supreme Judge.

Matters having been settled on those terms, the loan was issued at 82½ in shares of £1. But, in a very short time, it was discovered that £1,600,000 would not suffice, and the amount to be borrowed was at once raised to £2,400,0000. For this sum the Government gave 3,243,800 one-pound shares, and undertook to pay 264,000 instalments of £1 each for thirty years; or, in other words, £7,920,000 in thirty

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years. Such, in a few words, were the principal stipulations of Saïd Pasha's first great financial operation, and, we might add, his last. The illness from which he suffered was mitigated during his stay in Europe, but on his return to Egypt it became much worse, and he died during the night of the 17th of January, 1863.

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CHAPTER V.

THE ADVENT OF ISMAIL.

THE publication of the Budget of his predecessor, and then that of his own administration, was one of the first acts of Ismail Pasha, on his accession to the Viceroyalty after the death of Saïd Pasha. He sought by these means to show the world what was the true state of affairs, and thus to wash his hands of the responsibilities incurred by his predecessor. According to these statements, Egypt owed, at the death of Saïd Pasha, £14,680,000, which sum included the £4,552,640 for the 177,642 shares in the Suez Canal which the late Khedive had purchased. But this sum of £4,552,640 constituted a debt that did not afford any counter-balancing advantage. Not only did these securities sleep in idleness in the pigeon-holes of the Minister of the Interior, but many opportunities were missed when they might have been sold for advantageous prices. Consequently, when in June, 1865, the Ministry, on the eve of contracting a loan, thought of publishing the annuities of the Egyptian Debt, he remarked that, if the indemnity of £3,360,000 allowed by the Emperor to the Canal Company was not comprised in this estimate, it was largely compensated by the £3,520,000 represented by the 177,642 shares in the isthmus which the Government held and employed for the payment of the annuities in question. It was impossible to indicate more clearly that it was incorrect to attribute to

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Saïd Pasha the cost of the shares in the Suez Canal. The state of his debts was, on the contrary, reduced by the amount of these shares, and could therefore be liquidated for £14,680,000, minus £3,520,000—that is to say, for £11,160,000.

The desire to augment Saïd Pasha's Budget, is demonstrated still further by the manner in which certain items were grouped together. Under the heading of personal expenses, indemnities, and sums due to the Government, we find a total of 184,500 paisters. But Ismail knew better than any one why these accounts had not been settled—why these debts were allowed to remain standing. He knew that the indemnities and the abandonment of claims were all due to the intervention of foreign consuls, which had been the cause of heavy loss rather than profit to the late Khedive.

However this may be, the Budget of Saïd Pasha was balanced as follows:—

Receipts	£3,800,000
Expenses.....	4,350,000
	£550,000

This latter figure was not very exorbitant; but what shall we say of debts that amount to £11,160,000? This sum is enormous, particularly if we add that it was accumulated in only eight years. And yet, in spite of these startling figures, the fellaheen regret what they now consider the "good times when Saïd Pasha reigned." This Prince had spent money with the utmost extravagance, but his Government had not increased the charges weighing on the country, and the cultivators benefited to a great extent from the splendour of the Court. As for the army, it had been reduced to 7,500 men, and the fellah had no cause of complaint on this score. The number of press-gangs was considerably reduced; he was no longer so much exposed to the horrors of military discipline; he no longer suffered

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the agony of seeing his sons dragged from their homes, their friends, their fields, and implements of useful, peaceful labour, to be taught the arts of war, and to undergo the corrupting influences of life in garrison towns. The memory of the great wars waged by Mehemet Ali still lives in the rural villages, and any military revival is dreaded by their peaceful inhabitants.

All was to be changed at the advent of Ismaïl Pasha, who enjoyed a great reputation, and was credited with the best intentions—with the most honest disposition. As a matter of fact, finances, canals, railways, the army, the navy — all was overhauled, improved, and revived. Egyptians believed this was the commencement of a great reign. Perhaps a very acute observer might have discerned that the friends the Viceroy selected were not very reputable folk. But the Prince had given proofs of his capacity. His personal property was not considerable, but, by the skilful administration of his lands, he had greatly increased their value; and the ability he thus displayed was, it was esteemed, of the utmost importance in an essentially agricultural country like Egypt.

To confirm this good impression, the Viceroy at once satisfied the more urgent claims. He discharged the arrears due to the Government clerks, &c. He paid the salaries due to soldiers and officers. At the same time he raised the salaries of the higher functionaries, and paid them more in accordance with the increased cost of living. The great increase in the value of cotton had modified very considerably the purchasing power of money, and amply justified this liberality. We should also add that Ismaïl Pasha was fully aware that in the East fidelity to the Crown may be bought; and, in fact, is more easily bought than inspired. Finally, to demonstrate that the reign of extravagance was finally over, he fixed himself his Civil List at £700,000, nearly double that of the Queen of England.

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By examining more carefully the state of affairs, we might, after all, conclude that there was nothing very alarming in the state of the finances as left by Saïd Pasha. The debt, as we have said, amounted to £11,860,000. By deducting therefrom the sum embraced in the thirty annuities of the Loan of 1862—that is, £7,962,000—we find ourselves in presence of a Floating Debt of £3,204,000, a figure which, when the rich resources of the cotton crops are taken into account, cannot be considered very alarming.

The Ministry began by spreading over ten years the sum of £352,000 which came from the wreck of the Medjidieh Navigation Company. This association was founded by Saïd Pasha for political and religious motives, though it also possessed a very good chance of bringing in substantial financial profits. The great number of pilgrims who travelled from Mecca *viâ* Suez to Djeddah afforded the basis of a remunerative traffic, independently of the commercial relations which would result from the regularity of the communications established. Unfortunately, the result was the same as that of all other enterprises patronised by the Egyptian Government. The administration fell into disorder: waste and ruin soon followed, and the shares fell so low that the Government was obliged to interfere. The society was compelled to liquidate; the capital was reimbursed by means of shares issued at par, bearing 10 per cent. interest with ten years for amortisation by lottery, and guaranteed by the general revenues of Egypt.

This transaction was perfectly correct. The urgent debts were settled by bills on the Malieh tax, payable in one and two years, and the general debt was distributed as follows:—On the taxes of the years 1863 and 1864 the sum of £3,440,000 was charged, which included the payment of Suez Canal shares and the interest on the 1862 Loan. A sum of £2,000,000 only would be deducted from the revenue of 1865 for these purposes, and afterwards the

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annuity was to diminish rapidly. Thus, in 1866, the sum was to be reduced to £1,060,000; in 1867 to £620,000; in 1869 to £440,000, and only £360,000 in 1873. Finally, from 1876 it was to fall to £270,000, and the debt was to be paid off completely by 1892.

The position was, therefore, very clear and simple, and gave every promise for the future, particularly as the Budget of 1864 was to produce augmentation in the receipts of £440,000, and was to be balanced by a surplus of £720,000. It was, therefore, easy enough to carry over and gradually pay off the three first annuities by a service which would cost very little, without resorting to a public loan. This, however, was not done, on the ground that extraordinary and urgent expenses had to be encountered.

First among these special calls was the cattle diseases, which official writers described in harrowing terms whenever it was necessary to justify some new appeal for money. As a matter of fact, the fellahs and proprietors alone suffered the consequences of this scourge. The Government decided to what extent it would contribute towards the mitigation of this disaster. Amongst the expenses inscribed in the Budget of 1862 will be found the sum of £720,000 inscribed as the losses of the Government in the importation of corn, cattle, and butter. This sum is the exact figure of the sacrifices which the Viceroy imposed on the Minister of Finance, and is very small as compared to the advantages he derived from this pretext for borrowing money. Apart from this the Budget of 1864, nevertheless, presented a surplus, as we have shown above; and, therefore, there was no real reason for raising a loan.

Ismaïl Pasha had hardly assumed the reins of power when sundry influeuces were brought to bear upon him, to reverse the policy of his predecessor with respect to the Suez Canal. He sought to obliterate the engagements contracted by Saïd Pasha, and a struggle ensued, which cost the Egyptian Treasury large

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sums. In supporting a breach of contract some persons sought to satisfy their personal animosities; others were working certain political influences, and the party opposed to the Canal gained considerable strength from these two causes. A violent struggle ensued, and the question of forced labour was skilfully introduced for motives which were certainly not those of humanity. That the Company was in the right legally, there can be no doubt, and this was proved by the eagerness with which the Viceroy assented to the payment of the enormous indemnity stipulated in the decision of the Emperor, who had been called upon to arbitrate in the matter. At the same time everyone was obliged to recognise the skilful and subtle ability displayed by the Government in pleading its revenue. The American War was at its height. The price of cotton was rising every day; was it not absolute folly to employ twenty thousand men to shovel without profit the sands of the desert instead of cultivating the precious plant, the sale of which would bring incalculable wealth to the country? Such was the real motive which actuated the conduct of Ismaïl Pasha, though he took great care not to admit that this was the case.

The newspapers dwelt at length on the great works of reform and humanity that were to be done in the new reign, and drew some harrowing pictures of the unfortunate fellah dragged away from his home in Upper Egypt and brought to the Suez Canal, where he was crushed under the heavy burdens placed on his back. He was often represented as dying of exhaustion on the road, particularly as he had to carry his tools and his provisions. Unfortunately, there was a great amount of truth in these distressing accounts; but was the Company to blame? The contingents, when once at work, were treated with humanity, and what must have seemed more extraordinary to them, they were paid regularly. As for the rough manner in which the men were seized by press-

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gangs, and the abominable hardships inflicted during the journey down to the Canal, the Government alone was responsible for these abominations. Many facts might be advanced to prove the insincerity of the Khedive when he protested against forced labour. Any one who knew the man must have known that his protests were conceived for political and not for humanitarian motives. Thus, it will be remembered the portion of the fresh water canal running from Cairo to Ouardy was to be constructed by the Khedive himself, and not by the Company. Here was an opportunity, therefore, by which the Khedive might have set the example of humanity. Yet Ismaïl Pasha did not hesitate to resort to the forced labour which had been nominally abolished; and at one moment no less than eighteen thousand fellahs were compelled to work at this canal. It was impossible to give a better proof of the insincerity of his views.

The financial results of this resistance were most disastrous. Over and above the £3,360,000, large sums had been spent in publicity and intrigues, and, among other things, a Press prosecution, which cost a fabulous sum; but the precise amount was always kept secret.

On the other hand, the schemes of economy were abandoned almost as soon as they were conceived. Apart from the caprices of the Viceroy, which became of a more extravagant character as fast as he increased his hold on the reins of government, a sort of fever gained possession of his mind, and from him spread to the large landed proprietors who frequented his Court, or heard of his deeds. This fever led everyone to import agricultural implements. It was imagined that the mere purchase of implements would double the fruits of the land. No one studied what sort of implements were required, or how they were to be used when imported. No one knew, or even inquired, whether they were suited to the Egyptian soil. Of course, when, after large expenditure of money, these agricultural

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implements arrived in Egypt, their inutility became apparent; or, in any case, no one seemed to be able to discover how they were to be used. In a short time rust and neglect destroyed this precious stock, and the fragments might be seen lying about in the neighbourhood of Cairo and Alexandria. The sums of money thus wasted were very considerable, and in a great measure were derived from the family Daira lands, which, though small at first, had so suddenly increased, that in 1865 they comprised about a fifth of the best cultivated lands of middle Egypt and the Delta.

The extravagance and follies which we have briefly described were so extensive, that eighteen months had hardly elapsed after the accession of Ismaïl Pasha when the Minister of Finance perceived that the coffers of the State were already empty. Yet nothing had been neglected to replenish them. The taxes had brought in an extensive revenue, and the same may be said concerning the Daira lands and the Malieh. But, in spite of all these successful efforts to raise money, there were still some heavy debts weighing upon the Treasury, and it was resolved to resort to a public loan. Thus, after two years of unequalled prosperity—of a prosperity that exceeded all that even an Oriental imagination could conceive—the Government found itself in difficulties, as in 1862. This was the result of all the projects of reform which had been so loudly proclaimed at the advent of the new reign. For all justification the epidemics and the debts left by Saïd Pasha were constantly brought forward as excuses. We have shown that these excuses had no real foundation, but the Khedive thought they were sufficient to maintain his *prestige*, though he failed to keep his promises. From all this it will be seen how, from the very first, Ismaïl Pasha conducted his financial transactions in a dishonest and extravagant manner; but the general prosperity of the country concealed the cause of ruin which was eating away at the root.

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CHAPTER VI.

ISMAIL PASHA'S SCHEMES.

THE attempts to raise a loan were begun during the course of June, and were prolonged during three long months. The feints and counter-feints, the stratagems, and the intrigues with which these negotiations were carried forward would fill a volume, were it possible to ascertain correctly all the facts and explain the bearing. The ordinary bankers of the Viceroy were perfectly exhausted by this procrastination, and there were already symptoms of the forthcoming crisis of 1865. The contract, was however, finally signed on the 24th of September. The loan was contracted on the following terms:—£200,000 were to be advanced in four equal parts to be paid in November, 1864, January, Feburary, and April, 1865. The Egyptian Government was to reimburse capital and interest by the payment of fifteen annuities of £620,294 each, or a total of £9,304,460, to be guaranteed by the revenues of the three provinces of Hakalieh, Charkieh, and Béhéra. With regard to the commissions and *douceurs* there is nothing particular to note in this convention; but in the political side of the convention there is a detail which demonstrates the ideas of independence which Ismaïl Pasha nurtured at that period. As in 1862, it was stipulated in Article IV. that the borrower should first obtain the consent of the Sultan; but in the event of any disagreement, instead of giving the Grand Vizier the right of final decision, it

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was arranged that the Viceroy should himself judge definitely and without appeal. This was an act of confidence on the part of the money lenders towards the Prince they were proud to call their friend, which they were careful not to repeat in subsequent transactions.

The loan was issued in London, at 92 per cent., consisting of 5,704,000 £1 shares, bearing 7 per cent. interest; with amortisation in fifteen years by lottery. The coupons it was decided should be paid on the 1st of April and the 1st of October; the lottery to be drawn on the 15th of Feburary and the 15th of August of each year. Instead of £5,000,000 the Government only received £4,864,065, which equals 12·70 per cent. for interest and amortisation. The disposal of the shares was a matter of considerable difficulty, as the price was considered too high by the public, and the loan was issued at a critical moment. But as the guarantees seemed good, and the period fixed for reimbursement was brief, the shares were finally all sold, and for a long time the Loan of 1864 was quoted at the head of all the other Egyptian securities.

The ball had now been fairly set rolling. Loan followed upon loan with unparalleled rapidity. The Khedive was thus enabled to indulge his fancy, for there was no other motive to warrant so much borrowing. The special commercial or political circumstances which were invoked were evidently but a blind to deceive the public. The facts are there to refute any such pretension. From 1863 to 1865, that is in two seasons, Egypt had exported nearly a milliard francs' worth of cotton. Prosperity reigned on all sides, and the fellahs found their pockets full of money. As for the Viceroy, without counting the Budget, his personal revenues had increased in magnificent proportions. It will be remembered that he possessed 600,000 feddans, or more than an eighth part of the best lands in Egypt. This was the most prosperous moment, and the favourites who loitered in the ante-chambers of the Palace of Abdin and of Kasr-el-Nil played with money as if it were dross. They pitched and tossed for a year's appointment of

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Bey or even of Pasha. The cattle plague had but little influence on these gamblers, who were revelling in an age of gold. The real evil that was to bring disaster upon the country found its origin in the Prince himself. He enjoyed the vicious company with which he was surrounded. His imagination was quick and ready to embrace schemes, and to understand some of their advantages; but he was wanting in tenacity of purpose. He was superficial, undecided and disjointed in mind, but gifted with a prodigious memory for matters of detail. His powers of conversation were inexhaustible, and he could render himself most fascinating. But in his heart he was suspicious, jealous, and timid to such a degree that he might be accused of cowardice.

Of late years he was charged with being at once rapacious and prodigal, of attaching no importance to the promises he had given, of easily forgetting the services he had received. In a word, he was painted as a model of obstinacy, egotism, and pride. How far all these opinions are correct we leave the reader to discern, but this little sketch would be incomplete if we omitted to mention the extraordinary activity of the Viceroy. This led him to bestow at times the most minute attention to the trifling details of his domestic arrangements. He would at one and the same time devote himself to agriculture, decoration, architecture, horticulture, furnishing, and to the most complicated financial combinations, as well as the most delicate diplomatic negotiations.

The product of the Loan of 1864 had not yet been completely gathered in, when the want of larger sums of money already made itself felt. This time, however, the Viceroy sought to satisfy his needs by taxation. It was but fair that everyone should have his turn. The development of public wealth had been great, and it was thought right to augment the burdens of the fellaheen in due proportion. Faithful to the part of constitutional monarch which he acted to amuse and please Europeans, Ismaïl Pasha announced during the last few days of the year 1864 that he intended convoking a

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general assembly of the principal merchants and native proprietors, to lay before them a report on the financial condition of the country, leaving them to discuss and impose the necessary taxation. This assembly was called the "Chamber of Delegates," and, like all those mixed creations that spring from the caprice of a despot, it was destined to live till it displeased or wearied its maker.

The first measure taken was the revision of the method of distributing taxation. This was the more necessary as, with the exception of Custom dues, there were no indirect taxes of sufficient importance to be worth mentioning. It was, therefore, necessary to appeal to the agriculturists, and the sheiks of the principal districts united and appointed delegates, who supplied the mudir, or governor of the province, with details concerning the lands placed under his jurisdiction. The Viceroy having obtained all this useful information, forgot at once his constitutional duties, and took upon himself to fix arbitrarily the amount of taxation which he conceived would suffice to meet the exigencies of the Treasury.

At the same time he arranged that the fellahs who had cultivated waste lands and rendered them fertile might acquire a legal right to the property of these lands by paying a small sum to the State. Apart from the immediate income this measure produced, it had the further advantage of developing agriculture. Previously, the persons who had cultivated waste lands always felt a certain hesitation. They did not know at what moment these lands might not be snatched away from them. This policy of allowing those who had the courage and industry to convert the desert into fertile land, to possess the land they thus created, it will be remembered by those who have read what we have written on the subject, was warmly advocated by Prince Halim. Indeed, it was in consequence of the Khedive's injustice and folly in proving untrue to this compact that a dispute arose between the Viceroy and Prince Halim, which culminated in the exile of the latter. Had the reforms, as at first suggested,

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been sincerely carried out, the best results must have ensued; but the policy of the Government was not long-sighted, the realisation of some cash was its only object, and it cared but little for the welfare of the country, whether present or future.

The first event of note which occurred in 1865 was the creation of a Ministry of Public Works and Agriculture; and Nubar Pasha was the first to hold this new portfolio. The term agriculture was, however, only added for the sake of euphony, and to give the Ministry a somewhat European title. The Khedive was not the man to hand over to another that all-important branch of revenue. He professed to be himself the first agriculturist in the country, and certainly he studied questions relating to canals, irrigation, manure, soil, &c., and could talk by the hour together on the virtues of guano, carbonate of lime, &c. Instead of attending to agriculture the new Minister busied himself with the reorganisation of the railway, which had been falling into a state of ruin under Saïd Pasha, and with the completion of the soft water canal between Cairo and Ouady. On this latter work M. De Lesseps exercised great pressure, for it was indispensable to the providing of water for the new towns of Ismaïla, Port Saïd, and Suez, the intermediate stations on the new canal route; and the new Minister displayed so much activity that the water was soon forthcoming. The supply, if not plentiful, nevertheless sufficed. As for the disorder prevailing on the railway-line, this was all rectified in a few months. The trains actually started at the advertised hour, and the traveller might take his seat with the fair hope of arriving at his destination at the appointed hour.

A good work had thus been accomplished, a serious and beneficent progress achieved. But in the meanwhile the Khedive was hatching scheme after scheme; he was in the honeymoon of his power, and thought that nothing was beyond his grasp. He resolved to be the richest landowner

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of the country, and in a moment, by virtue of his sovereign will, he found himself in possession of the fifth part of Egypt. Then followed an extraordinary influx of agricultural machinery. Every conceivable sort and pattern for every possible purpose were imported.

At another moment the Khedive's mind turned towards building. The idea occurred to him that, should he visit the Sultan, he ought to possess at Constantinople a palace worthy to hold himself and harem. In an instant, and by a mere stroke of the pen, the Palace of Emerghian on the Bosphorus was purchased for him. Then, once it became his own, what a field it opened for improvements, for enlargement, for rebuilding, for the display of luxurious furniture, for the lavish exhibition of gold, silk, and satin, till, in fact, the Sultan himself should be made to feel the pangs of jealousy.

At about the same time a caprice conceived in the harem led to the raising of Ghizeh, which was to have been a mere lodge, a mere meeting place near to the Pyramids, but which was soon developed, and became a palace. At the risk of inundating Boulac, a branch of the Nile was suppressed, magnificent trees were planted to form an avenue between Gezireh and Ghizeh: more than a million sterling was spent, and yet the work was not completed.

With regard to financial speculations, the Viceroy, with the assistance of various friends, had brought into existence two anonymous societies. The first was called "L'Agricole," and it came to grief in two years; the other, the "Azizié," in spite of the high patronage it received, also failed, leaving a heavy burden of debt to be defrayed by the public treasury.

These failures may be easily traced to the inventive and harassing spirit of the Khedive, whose influence predominated more and more.

Towards the end of May, 1865, he arrived at Alexandria, for the purpose, it was announced, of spending the winter at the seaside. In reality, he was taking his precautions against the cholera, which had declared itself at Mecca. He

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imagined that if the epidemic spread he would escape the danger by taking to the sea. In fact, on the morning of June 14th, he suddenly sought refuge on board ship, for it was reported that a few cases of cholera had occurred at the military hospital and in the Arab villages that surrounded the town. The Khedive consequently visited several islands of the Mediterranean, and finally landed at Marseilles, from whence he proceeded to Vichy.

During his sojourn in France a sudden fall from thirty to twelve occurred in the value of cotton at Liverpool. Such a fall had never been witnessed before. In spite of the heavy losses in the market, the merchants of Alexandria were most concerned on account of the small proprietors in the villages who had relied on the continuation of the high prices, and had, consequently borrowed large sums for the further development of cotton cultivation. In many cases this money had been borrowed, and now the profits on cotton did not equal the interest to be paid for the loans contracted. Hence many loans were not paid, or the interest was not forthcoming, and, as a natural result, there were many legal proceedings, followed by the distraint of goods, by quarrels, and ruin. Certainly, the victims had suffered in consequence of their own want of forethought. Nevertheless, the Khedive decided to interfere in favour of the money-lenders, though these latter had not scrupled to demand as much as four or more per cent. per month for the advances they had made. These debts were examined, verified, and finally settled by bills to be paid in eight years after 1869. The Treasury was to undertake this by raising proportionate sums from the proprietors who had been compromised, and who were thus saved from total ruin. The Government, it will be seen, only played the part of intermediary. The new security created was known under the name of *bons des villages*, and amounted in all to £1,600,000.

As the cholera had entirely disappeared by the 15th of August, the Viceroy returned to Alexandria on the 22nd, and

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was not a little vexed to find that the European papers had not hesitated to comment with sarcasm on his flight at a moment of danger, and when his people were most in want of his help. Abroad, as at home, the Viceroy had continued to agitate new schemes, to plan fresh loans. Nubar Pasha was directed to open out more negotiations at Paris, and the task was not easy. Eight months had hardly elapsed since the Loan of 1864 had been issued. Another loan on similar terms would undoubtedly have alarmed the public, and therefore it was necessary to fall back on the railway stock and the private property of the Khedive. Each of these administrations was burdened with a large floating debt, which might be converted into a permanent loan: and this transaction, in itself useful and justifiable, might be made the pretext for a much larger and less warrantable transaction.

Nubar Pasha undertook the work with great energy.

As it might have been expected, the negotiations were first directed towards the railways. The security was excellent, without mentioning the political importance of a line which unites Alexandria with Cairo and Suez. This was a consideration, on which much might be said. Besides, there were great chances of profit, but this had the disadvantage of rendering the Khedive too exorbitant in his terms, and somewhat complicated matters. However, he finally consented to accept a sum of £3,000,000, and a first contract was signed at Paris with Messrs. Oppenheim, Neveu, et Cie. This contract, however, fell through, for the Khedive had expected to pay only eight to nine per cent. but found by a careful study of the amortisation, that he would in reality be required to pay fourteen per cent. This difference was too large, and his fury on making this discovery was so undignified that we cannot attempt to describe it, but leave those readers who know the character of the Khedive to form their own conclusions. The error cost Nubar Pasha the good opinion he had won. His reputation

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in financial matters was ruined for a long time, particularly as the contracting parties possessed his signature, and refused to forego their bargain on the ground that they had made arrangement with a third party which they were bound to fulfil. Nevertheless, they ultimately reopened negotiations, and after a thousand quibbles and difficulties, and squabbles and bargains, a new convention was signed on the 5th of January, 1866.

The contract of the 17th October was annulled by mutual consent; but the original figure of £3,000,000 was maintained as shares on the railway, endorsed by the Malieh, bearing interest at six per cent., and reimbursable in six annuities, to begin on the 1st of January, 1869.

Messrs. Oppenheim took the said obligations for a sum of £2,640,000 (1870), bearing the date of 20th April, payable half in cash and half in railway material, on which a commission of five per cent. was allowed. Judging matters in a light, superficial manner, the Viceroy obtained some concessions in the matter of interest. But, on the other hand, we surmise that the clause enabling the contractors to supply so large a quantity of railway material, gave them an excellent opportunity of recouping themselves.

As for the Daïra Loan, the return of the Viceroy to Egypt caused the negotiations to be transferred from Paris to Cairo. On this new field, which lends itself so admirably to every form of intrigue, the two competitors—the Anglo-Egyptian Bank and Messrs. Oppenheim—were able to indulge in the most complicated manœuvres, sometimes acting in harmony with each other, then quarrelling in the evening and becoming again fast friends next morning. It was a real comedy, but the conclusion was somewhat unexpected. The scene occurred on the 11th October, 1866, at Abassieh, in a kiosk recently constructed by the Viceroy.

In front of the kiosk there was a double row of tents, richly decorated, in which the ordinary guests of his Highness were gaily breakfasting. In the background, towards

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Matarieh, there were five or six thousand soldiers resting. There had been a military review. The bustle round the kiosk seemed of good augury. The rumour ran that the parties concerned had come to terms with respect to the conditions of the loan, and that the contract was about to be signed. In fact, on the ground-floor the Ministers were united to defend the interests of the Viceroy, while M. Pastré and M. Schwabacher on the other hand represented the Anglo-Egyptian Bank and Messrs. Oppenheim. The two ex-competitors were then acting in unison. The contract was there, spread open on a table. The terms had been read out, and M. Pastré, as the senior person present, took up the pen and was about to sign, when a despatch brought in from Paris just at the right moment ordered his colleague to abstain. The effect of this news naturally caused the utmost sensation; but M. Pastré, anxious to keep his word, signed all the same, and found himself the only adjudicator of the loan.

Putting aside the method employed by which Messrs. Oppenheim contrived at the last moment to withdraw from the bargain, the firm certainly acted with prudence, for the operation was not of a very tempting character. In exchange for bonds to the amount of £3,387,300, at 7 per cent. interest, the contractors undertook to pay down £3,000,000 in cash. This was equal to 88½ per cent., though, at the same time, the period of amortisation was spread over only fifteen years, and the guarantees were of an extensive character. Not only had the Khedive devoted the revenues of his property to this purpose, but he had consented to a special mortgage of 365,000 feddans of land, which are minutely described in the appendix of the contract. But how would the public receive so novel a security, based essentially on personal property, and possessing none of the characteristics of a State loan? Again, it was a difficult matter to decide at what rate the loan could be issued so as to meet the public, and yet reserve a sufficient profit.

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Finally it was decided to issue the loan at 92 per cent., a price which was absurdly high, though the contractors only reserved for themselves the very modest margin of 4½ per cent. The results were most disastrous; out of £3,000,000 only £280,000 were subscribed. It was more than a failure —it was an absolute collapse, which could not be accounted for either by the dearness or the nature of the loan. The Viceroy was really to blame, for at the same time that he made this personal loan he allowed the Railway Loan to be issued at Paris and at London. The guarantees of the latter were better, the price of issue not so high, and the condition of amortisation more advantageous. The public consequently preferred the latter.

The Anglo-Egyptian Bank took advantage of these circumstances to compel the Daïra to take back the securities which had not been sold. But at the same time M. F. Pastré found a buyer, and at the interview held on the 25th of October, 1866, between Hafiz Pasha, representing the Viceroy, and M. Cernuschi, a convention was drawn up as follows:—

On depositing at the Crédit Foncier of Paris the said securities to the extent of £1,500,000, M. Cernuschi placed at the disposal of the Sanieh Daïra £900,000, of which £500,000 were paid in November, and £400,000 in December, the whole to be reimbursed in December, 1866. The interest was fixed at 10 per cent., plus a commission of 1½ per cent. on each payment. If the payments were not made at the appointed date, M. Cernuschi would have the right to realise the security. Further, he was entrusted with the sale for the Sanieh Daïra of the shares deposited in its name, on condition of crediting the property at the rate of 72 per cent. of their nominal value, without taking into account the real sales; aud another commission of one per cent. was added to the nominal figure of the operation, whether or not this figure was attained.

To sum up, the Viceroy yielded at 72 per cent, minus 2½ per cent. of commissions; therefore at 69½ per cent. the

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securities which the first contractors had taken at 88½ per cent., and which had originally been offered to the public for 92. The sacrifice, amounting to 19 per cent., was hard to bear. He had, however, the consolation of testifying to the ability of M. Cernuschi and his success. The first Daïra loan was completely disposed of during the course of the year 1867.

During the year 1866 two more loans were concluded. But this time they originated in the divisions in the family of Mehemet Ali, and not in the requirements of the Treasury. In consequence of the rivalries of the harem, which from the cradle had somewhat estranged Ismaïl Pasha and Mustapha Fazil Pasha, the relations between these two had never been very cordial. The death of Saïd Pasha rendered the enmity more emphatic by placing the one in power.

The anonymous author of the "Financial History of Egypt" is of opinion that the greatest delusions are entertained in Europe concerning the civilisation of the East. The customs, and more especially the intimate customs of the more powerful Pashas, are scarcely less barbarous than was the case a hundred years ago. Thus, political assassination under all its forms, and more especially by poison, is still, and not without cause, feared in the higher circles. The Viceroy was subjected to the general rule, and ran the risks of the elevated position the accident of his birth had given him.

From 1863, Mustapha Pasha, wearied by the annoyances to which he and his family had been subjected, had left Egypt for Europe, and divided his leisure time between Paris and Constantinople. The reports of an interested police represented him as a very active conspirator, who was watching his opportunity of putting himself in the place of his brother. He was even accused of conspiracies which had been partially carried out; as, for instance, the inoffensive bomb which was discovered one morning in the garden of Gizeh.

The Viceroy became the victim of periodical fits of terror.

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His character, naturally anxious, became more and more overcast every day. Even in the most intimate circle of his home he hedged himself in with the most minute and extravagant precautions. He caused a special watch to be kept over his linen, his table, and all he ate, entrusting this care to those whom he considered the most interested in the preservation of his life. His situation was hardly tenable.

On his side, Mustapha Pasha swallowed up millions with Oriental indifference. Though his revenues were of the most slender nature, in consequence of the innumerable obstacles placed by the Egyptian Administration in the way of the cultivation of his rich domains; he gave magnificent balls, threw money about broadcast, and often borrowed from the bankers. But the day for repayment was not long in coming, and the Khedive considered that this was the favourable moment to renew the negotiations which he had unsuccessfully opened in 1864. He therefore proposed to purchase all his lands, and this time the suggestion was accepted. The price agreed upon was £2,080,000, payable in shares to the bearer on the Sanieh Daïra, and producing 9 per cent. interest. The reimbursement was to be effected in fifteen annual instalments, to begin in January, 1868, while the interest was to commence with the first day of the year 1867.

The contract was signed in Paris on the 22nd November, 1866, and registered on the 26th of the same month, but it was not carried out as originally stipulated. Instead of the shares mentioned above, the Ottoman Bank and Messrs. Oppenheim, acting in the stead of the Prince, obtained the issue of a general security, specifying the engagements taken by the Daïra and guaranteed by the Government, and on that security floated in London obligations or shares to the extent of £2,000,000 at 90, bearing 9 per cent. interest. This loan, issued in November, 1867, was thoroughly successful. The last annuity is due in 1881.

The uncle of the Viceroy, Halim Pasha, had to undergo

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the same fate as Mustapha Pasha, during the course of the following April.

The historian whom we are quoting remarks that the Prince did not possess any of the characteristics that constitute a dangerous conspirator. But of all the legitimate sons of Mehemet Ali he alone survived; and certain observations which had been maliciously and incorrectly reported to the Khedive had excited his suspicion. "The director of the Sanieh Daïra received orders to purchase Halim's property, which was done for a sum of £1,200,000. Of this, however, Halim Pasha, we are informed, only received £300,000 in bonds on the Daïra, guaranteed by Government. He had previously made two loans on his properties—one in 1863 for £310,000, payable in fifteen annuities, and the other in 1866, for £700,000. The Daïra took upon itself the responsibility of the first of these loans, and gave as payment to the Prince the credit papers or shares constituted by the second, and which the Government had bought back." All this the present Egyptian Government coolly pretend to cancel by a simple decree!

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CHAPTER VII.

MORE LOANS.

THE year 1866 had been well filled; four large loans had been made, amounting in all to £9,000,000, without counting the village loans. Then two Princes had been deprived of their estates and their rights, had been made the subjects of unworthy suspicions, and compelled to accept terms drawn up irrespective of their own desires, and after all, not faithfully carried out. It should be remarked that there was no political necessity to justify such an abuse of credit. Certainly in February the Ouady was repurchased for a sum of £400,000; and this was a wise act, for it put an end to the struggle which had occurred between the Government and the Suez Canal Company. The insurrection in Candia had also cost a little money in sending men, provisions, and ammunition to the island; an expedition which the Viceroy had been compelled to undertake, to oblige the Sultan. But what was of more importance than all this, were the negotiations for the purchase of the right of succession in favour of the Khedive's own son. It was to this latter cause that the exigencies of the Egyptian Treasury may be ascribed. Unfortunately, in such questions control is difficult to establish. It is well known that in the East persons in authority have ravenous appetites, and the person who wishes any favour would be but badly received

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if he presented his request empty-handed. The history of this underhand transaction between the Viceroy and the Sultan, Abdul Aziz, has been related at great length in the columns of various papers. We need not travel over the ground again. The details of this scandalous purchase of a birthright, carried out with money which, for the better part, had been obtained by false pretences from the savings of European investors, have been exposed in the public journals of Europe. The author of the "Financial History of Egypt" remarks that during the course of these negotiations there were several financial operations between the vassal and his Suzerain; such as the dispatch of large sums of money from Alexandria to Constantinople; various bills drawn from Constantinople on Paris, London, and Alexandria, which were debited to the Viceroy, and amounted in all to a very large sum, but it was difficult to state precisely what this sum was. In fact, the actual sum to be paid was of little importance to the Viceroy. Half a million or a million sterling, more or less, was as a trifle in his mind compared with the result to be obtained. His anxiety in this respect was no secret; it was clearly manifested at the opening of the Chamber of Delegates, which was held with great ceremonial at Cairo, on the 25th of November. The Khedive attended in person, and read a speech to which the delegates replied three weeks later by an address in which they glorified at length the principle of direct inheritance, and thus forgot or foreswore those Mahometan principles which they were supposed to defend. Such a manifesto was, we need scarcely point out, prepared beforehand: it had been made to order. Nevertheless, some persons were deceived, and others, apart from the journalists in the Khedive's pay, thought fit to applaud what was called the crowning of the constitutional edifice raised by the Viceroy.

In spite of the exaggerated expenditure, the year 1867 opened under the most reassuring auspices. During the whole of the month of January the acceptances of the

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Treasury were discounted at the normal rate of twelve per cent., and this continued with but one-half per cent. change up to the beginning of April. The Viceroy was, therefore, able to attend, without anxiety, to the preparations for the grand exhibition which was about to be opened in Paris, and where Egypt was to shine in the first rank among the nations of secondary importance.

Nevertheless, during the first days of May a curious incident occurred. At that period of the year the money sent to the villages to buy cotton comes back to the market, and is used till September in Government securities. The consequence is, that at that time of the year there is a strong demand for these securities, and a great rise in the rate of discount. But that year it was the very opposite that took place. The market, far from being reanimated, became more and more dull, and the quotations were worse and worse up to October; they even reached the figure of 16 per cent. It is true that the Malieh Bonds, the Village Bonds, the Railway Bonds, the Bonds of the Sanieh and the Khassa Daïras had been added, and these latter were offered at 20 and 21 per cent. Every department of the service which enjoyed the slightest credit had been burning the candle at both ends. Purchasers might not only choose, but had too much to choose from, for they soon became alarmed, and offers exceeded the demand. The situation once more became critical. Nothing but another loan could save the Treasury; such, at least, was the opinion of the Minister of Finance and his colleagues. The Viceroy adopted the same view, and announced that he was ready to negotiate.

Among the candidates for the new loan, Messrs. Oppenheim stood in the first rank. They had acquired, both in London and Paris, a special reputation for their ability and knowledge in the manipulation of Egyptian affairs. They were also reputed to have an intimate knowledge of the resources of the country, and of the burdens that were im-

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posed upon the taxpayers. On the other hand, their connection with the Court had suffered greatly from the manner they conducted themselves in 1866, with respect to the Railway Loan, and many acrimonious discussions resulted from the affair. The very legitimate distrust, and the profound resentment which the Viceroy had conceived, was skilfully maintained and stimulated by the intrigues of the Court. Under such circumstances, it was necessary to maintain a very reserved attitude. Messrs. Oppenheim contented themselves with merely studying the ground and the competitors, who did not fail to come forward in great numbers.

The most important among these latter was M. Cernuschi, who, having redeemed the Daïra 1866 Loan, enjoyed the highest esteem. This was a formidable adversary, for he not only possessed the greatest financial aptitude, but there was a powerful group of bankers ready to assist him or to follow his advice. It was not, however, from this side that the principal danger arose. Ragheb Pasha was then at the head of the Ministry of Finance; and, even in those days, he was described as being an old, obstinate, and narrow-minded functionary, whose education in matters of public administration was purely Oriental. He was unable to understand any combination that was at all complicated. His sole merit was that of concealing the paucity of the Treasury, by cleverly contrived pretences that the money had not been paid in at the proper date. Then he finally resorted to the bastinado as his only method of solving a financial difficulty. Such a man, in such a place, at such a time, was altogether out of place. At his side, and through some cunning hazard, a certain M. P—— had been placed. This person had arrived from Alsace, and occupied the post of *chef du contentieux* of the Ministry of Public Works, Nubar Pasha being the Minister. M. P—— had advanced rapidly. He displayed great originality of character, and his integrity placed him beyond suspicion. He won the good opinion of

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the Viceroy, and a variety of shrewdnesses learnt in the provinces where he had lived, completed this gentleman's claim to favour. He possessed a great knowledge of dogs, he was a fair sportsman, and a good angler. He knew enough of veterinary matters to doctor a horse, and could amuse people by a little skilful conjuring. He was also quick-witted, and had a repartee at command to meet every circumstance. He was ready with advice on every possible subject. He could patiently sit through the longest dinner, and would listen without murmur to a long, dreary story, just as at the assizes he could endure all the annoyances of a long and wearying trial. He had, therefore, precisely the character calculated to please Turks. The Khedive found in him an excellent *convive*, and he was soon promoted to a post of confidence; and, it must be admitted, was well deserving of such a place. Unfortunately, his friends sought to make him a financier, and of all the parts which he might have assumed, this was decidedly the one for which he was the least suited. But such mistakes are frequent in the East.

One day the rumour was spread that a new financial power had entered the arena under the auspices of M. P———. No one knew the nature of the new comer. Some supposed it was the Comptoir Oriental, others mentioned the name of Lachevaudière, of Carteret, which even, if taken altogether, did not represent a very large sum of money. Nevertheless, though they were so little known and enjoyed but feeble credit, negotiations were opened towards the end of 1867, and made rapid progress.

The Ministry was in great want of an early solution, as money was becoming more and more scarce. The harem itself began to feel the general impoverishment of the country, and the position was now scarcely tenable. The obtaining of money by means of bills was now too old a measure to meet with any great success, and to add to the difficulties the Viceroy had brought back from Paris the very costly determination

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to imitate in all matters the improving genius of M. Haussmann. Indeed, the glory of M. Haussmann robbed the Khedive of his sleep. He could not rest till he had achieved some improvements of an equally startling description. He therefore hurried forward the works for the reconstruction of the Esbekieh, the construction of two theatres, and a huge circus or amphitheatre—schemes which were almost as soon abandoned as completed. Then he created an entirely new quarter of the town, called the Ismaïlieh; then there was the new Railway Boulevart—the Abdin Boulevart, the construction of numerous palaces—notably those of Abassieh, Abdin, Ghizeh, another place at Mustapha, one at Alexandria, &c.; in fact, it was a masonry-mania.

The enormous expense occasioned by the wild building schemes the Viceroy had initiated, brought about so great a demand for money that the news of the conclusion of another loan was hailed with great satisfaction. The contract was signed on the 3rd of February, 1868, by Ragheb Pasha in the name of the Viceroy, and M. Lachevaudière for Messrs. Carteret and friends. The rate of discount at once fell from sixteen to twelve per cent., and this fall was not extraordinary. The operation which had been concluded aimed at nothing less than the unification and conversion of all the debts of the Egyptian Government, including those of the railway. The bills on the villages alone were excluded. The Government was therefore about to attempt to regulate the financial position in a definite matter. Paragraph 2 of the contract stipulated that a new loan should be made to the extent of £7,306,670 in cash, or of any other sum which, together with the existing loans and bills, would make the General Debt amount in all to £25,800,000.

By Paragraph 3, the contractors undertook to pay at once, and to be included as part of the loan, a sum of £800,000.

Article 2 stated the course to be followed to ensure the unification of the debt. The conversion would be made with a fresh nominal capital against a similar ancient and nominal

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capital. Messrs. Carteret might make whatever combinations they might judge fit, so long as the yearly amount to be paid by the Government was not increased. According to Article 4, the contractors undertook to refund all the unconverted securities in exchange for Bonds to a similar amount on the New Debt. Article 6 stated that the amortisation of the Unified Debt should be accomplished in forty years, by means of an annual payment fixed at 8.75 per cent. of the nominal £25,800,000. Thus, with interests, amortisation, the commissions, and other expenses relating to the operation, all was so contrived that the Government should not have more to pay than £1,093,750 per quarter. As guarantee, the Government gave all the revenues that were free, and those that would be liberated by the regular payment of the forty-one annuities. The payment of the coupons was fixed for every 1st of January and 1st of July in each year.

No sooner was the transaction commenced, than Messrs. Carteret and Co. received Bonds to the extent of £5,145,000 of the new loan. For this sum and a commission of four per cent. on the amount of the General Debt, payable in Bonds as the process of conversion progressed, the contractors undertook to cover all the expenses, such as stamp duties, printing of the Bonds, advertisements, &c., &c. They were also to receive a commission of one-half per cent. on the payment of the interest of the amortisation. Finally, the Minister promulgated the law annexed to the contract and the various decrees necessary for the realisation of the operations mentioned. This law ordered the creation of a ledger for the Public Debt, and entered into details as to its management.

Such was the contract of the 3rd of February. It is impossible to deny that the idea of uniting the whole debt under one head, and spreading the amortisation over a period of forty years, was a good idea. Also the opening of a ledger for the Public Debt gave a sort of guarantee against the

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reckless issuing of new loans. Indeed, it was specially stipulated that no new loan should be made unless the interests for the amortisation had first been satisfied, and unless such a measure was justified, either by an increase of income, due either to an augmentation of the receipts, or to some economy realised in the administration of the country. In other words the, Government could only borrow anew in proportion to the increase of income—if, indeed, such increase ever occurred. Finally, the expenses attendant on the unification of the Debt were included in the sum total of the debt itself, and in the annuity of 8·75 per cent. Thus the Ministry were saved from the great outlay they would otherwise have been compelled to incur.

The Viceroy would have had, therefore, every reason for self-congratulation if Messrs. Carteret and friends had carried out their engagements, and made the conversion at par, and by taking equally at par the new complementary loan of £7,306,670, and the Bonds of the New Debt, the realisation of which was to have supplied the wherewithal for the payment of the Floating Debt. The Egyptian securities were quoted in London at 90, and it was not to be expected that the new operation would occasion a rise. The Government must have had but little knowledge or experience to imagine that the stringent stipulations it had imposed could ever be carried out. M. Carteret had the reputation of being a man of profound experience; and also it was thought that probably he had hidden resources at his disposal, and means unknown to the vulgar and commonplace financier. If the Viceroy had not been so confident in his own powers, some incidents which occurred in the very opening of the negotiations might have put him on his guard. These details, though of a very intimate character, were so well known, both at Cairo and Alexandria, that they must have come within cognisance of the police.

The result came only too soon. At the beginning of the negotiations, the Viceroy had commissioned M. P——

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to examine the credentials of the great financial establishments which M. Lachevaudière professed to represent. When the contract had been signed, it suddenly occurred to the Viceroy to look at these credentials, and he asked M. P——to show them. The latter, however, in vain ransacked his portfolio—they were nowhere to be found, though he professed to have put them aside with the greatest possible care. At first, the Khedive was infuriated by this mystification. Then, making the best of a bad business, he took upon himself its full responsibility. As for Ragheb Pasha, he lost his portfolio after having nearly lost his life. His emotion was so great that he fell seriously ill, and has never fully recovered from the effects of this shock.

M. P—— had to keep his room for a few weeks, and then went back to his native province, leaving behind him the reputation of an honest man, and of a financial blunderer.

Nevertheless, all hope was not lost. If M. Carteret paid in exchange for bills on the Treasury the sum of £800,000 as stipulated by Article III., the contract would still hold good. Jeki Bey, the Viceroy's Master of the Ceremonies, was sent to Paris with twenty Bonds of £40,000 each. M. Lachevaudière relates what followed in a pamphlet :—

"Warned by a telegraphic dispatch that the treaty had been signed, M. Carteret was able to carry out the clause of the contract. The negligence, one might almost say the bad faith, of the Minister of Finance, prevented the execution of the clause. The bills on the Treasury were not sent. Further bills, to the amount of £876,000, were drawn upon M. Carteret, without notice, and without sending funds to meet them, and without any stipulations to that effect having been made. M. Carteret refused to accept them. On the strength of this refusal, a telegram came from the Government, announcing that the Bonds on the Treasury were coming to meet these bills, and inviting him to endorse them. In the abundance of his loyal confidence, M. Carteret believed in the advent of these Bonds on the Treasury, and accepted the

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bills; but the Treasury Bonds did not come, and M. Carteret was obliged to allow the bills to be protested."

Such is the account given by M. Lachevaudière, which need scarcely be criticised. The bills were protested, the contract broken, and the Malieh was obliged to pay four per cent. expenses as the costs for restoring certain bills which had imprudently been given to a third party.

Thus it was all in vain that, though labouring at the work himself, and bringing to bear his special knowledge, the Viceroy had, during several months negotiated in the privacy of his Cabinet a new loan. All the discretion, all the work, all the precautions, culminated in a ridiculous collapse. The affair was most humiliating, and, what is more, the state of the country had become in this lapse of time even more complicated and difficult. In the face of so much incapacity, of culpable negligence, the mistrust of the public was greatly increased. Bills on the Treasury were no longer to be discounted at less than fifteen per cent., and those of the Daïras from nineteen to twenty-one per cent.

Nevertheless, after a few days of bitter confusion, and of many confidences exchanged between the master and his Court favourites, fresh courage began to dawn. If one contract had been lost, there still remained three in hand, and these were of more serious description. M. Cernuschi, Messrs. Oppenheim, and M. Erlanger had sent a representative to Cairo. But the latter soon withdrew, without having elicited anything more by his efforts than the publication of a pamphlet in which he was soundly abused, and called all manner of unseemly names. The struggle was therefore confined to M. Cernuschi and Messrs. Oppenheim. A few attempts to bring the two to terms only served to accentuate the dissension betweem them, and each one went to work on his own account.

The Viceroy had now renewed his friendly relations with M. J. Pastré, which had been somewhat interrupted by the failure of the Daïra Loan; and this gave to the group

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represented by M. Cernuschi the advantage in the beginning. The negotiations at first progressed rapidly. They related only to a sum of £~~120,000~~, for the proposed unification had been abandoned; and in the second week of April, an amelioration in the rate of discount, amounting to two per cent., showed that a favourable result was expected. Indeed, a final meeting was held at Ghizeh during the night of the 19th of April, when the Khedive came in person, and met M. Cernuschi and M. J. Pastré. Sherif Pasha, Ismaïl Sadyk Pasha, the celebrated Mouffettish who had recently been appointed Minister of Finance, and the Manager of the Sanieh Daïra had been summoned from Alexandria expressly for this meeting. A solemn discussion was held, and it was continued for a long time. The parties concerned did not come to terms before three in the morning. But, on the other hand, the agreement was so thorough, that the conclusion of the loan was officially telegraphed to the Governor of Alexandria, the mudirs of the provinces, and to the intermediaries at Paris, who were seeking to raise money in small quantities, and at any terms.

The exchange of signatures alone remained. On the invitation of the Viceroy, M. Cernuschi paraphrased the contract, and this was to be returned to him in the morning, sealed by the Minister of Finance—it was then too late! The company parted, everyone being well satisfied. In the morning, however, the Minister discovered what he termed an error of a formal character, which excited the suspicion of the Viceroy, which had been put on the alert by his recent experience in the Lachevaudière affair. Forthwith the whole of the negotiation was abandoned.

This caused a great scandal both in the Palace and the town, and the discredit fell entirely on the head of the Viceroy. The well-known integrity and reliability of M. Cernuschi's character placed him beyond the reach of any suspicions. Perhaps a very careful investigation would have disclosed, under this imbroglio, the hand of the new Minister of

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Finance, whose unwholesome influence was accentuating itself more and more.

The author of the "Financial History of Egypt," remarks that despots have rarely found such an instrument to assist in the realisation of their designs. At first Ismaïl's instrument was only an humble servant in the service of the Daïra, and the Viceroy soon made him the director of this important administration. From a simple Effendi he became Pasha, and then Mouffettish, or Inspector-General of the Provinces. Very intelligent, acute, and cunning, he was also an ardent and indefatigable worker. He was prompt to obey, whatever might be the nature of the work given him to do. He understood half a word, and sought to do what was intended rather than what had been verbally ordered. The Mouffettish had rendered his master incalculable service at the time when the Khedive was seeking to extend his estates without disbursing any cash. All the complaints, all the protestations that such operations naturally occasioned, had been already suppressed or silenced.

In moments of pressing distress, he was commissioned to impose exceptional taxes, or to provide spontaneous gifts. For this purpose he would proceed in person to the principal centres, or moudriehs, assemble the sheiks and all large proprietors, and explain to them his own version of what the Treasury required, detailing the distress the Viceroy was enduring, and appealing to their patriotism and devotion. All this he would do in a pleasant matter, chatting, laughing, joking, and then he finally contrived to fix the amount which each person should contribute, the sum being often only hinted amid many other remarks and various outbursts of good humour and many witticisms. But he must have been a bold man who dared to disregard the hints thus lightly given. The tax-gatherers were relentless. As for the fellahs, if they did not produce money, everything they possessed was seized—their lands, their harvests, their carts, cattle, all, even the modest and trifling articles of jewellery

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belonging to their women. The bastinado soon suppressed all resistance, and where it failed, there were the prison and the galleys.

The *début* of this Minister was quite an event in the history of Egypt. There was an end to all delays, and to the hesitation and vacillation of the time when Ragheb Pasha was in authority. Business was promptly carried on. The bills were regularly paid. He understood how much this would benefit the credit of the Government. Unfortunately, the difficulties which beset the Malieh compelled him to abandon this excellent rule.

At first the Mouffettish knew but little about financial matters. He therefore called to his help some intimate advisers, and was sufficiently intelligent to profit by their lessons, and soon he was able to hold his own against the most able manipulators of loans. Also, he was never impeded by scruples of any description, and he, at least, certainly practised the maxim that man is gifted with the power of speech so as to disguise his thoughts. He was as keen about his own interests as those of the Government; and, after his master, he possessed the next greatest fortune in Egypt. But now the moment had come when both master and Government were compelled to suspend judgment. Such was the character of the man with whom European financiers would henceforth have to reckon.

The failure of the negotiation with M. Cernuschi left Messrs. Oppenheim sole masters of the field. They had been careful to keep in the background during the heat of the struggle. Copying their competitors, they had suggested two to three millions sterling, half in money and half optional. Further, they demanded that all future issue of Bonds should be carried out through their agency. It was a means of control, and of holding the Viceroy in check, to which he would not consent. But the idea occurred to him of making use of the Assembly of Delegates, who happened then to be in full Session. It was also urgent to reaffirm the moral

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authority of the Government, which had been shaken by the Lachevaudière adventure, the rupture with M. Cernuschi and a hundred other serio-comic incidents which had enlivened the society of Alexandria and Cairo during the whole season. Already no one paid any attention to the affirmations and promises of the Viceroy and his Minister of Finance; or, if these were treated with some degree of consideration, this was done solely out of politeness, and not because they inspired any confidence.

Consequently, pressure was brought to bear on the Assembly of Delegates, and during the early part of the month of May, at the request of Ismaïl Sadyk Pasha, and by order of the Viceroy, the President of the Assembly proposed and caused a national loan to be voted. The sum was fixed at £3,000,000. The new securities were to be issued at par, and were to produce ten per cent. interest. They would be refunded by lottery in the course of eight years, to commence at the end of the third year. But no mention was made of the guarantees—perhaps because the loan was a national loan, and that Egyptians were alone to manage its issue, and enjoy the benefits. From want of confidence or of means, few persons, however, embarked in this new venture! From a national loan it was now converted into an internal loan, so that foreigners resident in Egypt might participate. But this did not prove any more attractive. No one would invest, and the loan fell to the ground.

We have seen that the Mouffetish sought to float a loan for £3,000,000, and signally failed. It is so essential for the full understanding of present complications, that some knowledge should be possessed of past difficulties that carry on the threads of this story. It should be observed that even at so early a date the Government seemed to be aware of the little credit it enjoyed; for while attempting to float a public loan, it borrowed money privately from Messrs. Oppenheim, the bankers of Cairo and Alexandria. At the same time the Government displayed equal recklessness

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in its expenditure as in its borrowing transactions, for it paid £360,000 to purchase the Alexandria Water Works, which had not cost £120,000, and paid £1,200,000 indemnity to the Suez Canal Company. Thus, the floating debt was suddenly increased to the extent of £4,000,000; but, on the other hand, the most urgent claims were satisfied.

During the winter, the Khedive had been troubled, not merely by financial complications, but with a serious illness, which compelled him first to visit Brousne, and then Ems, and the Eaux Bonnes. The Viceroy set sail on the 30th of May, and the same copy of the *Official Journal* which announced his departure, gave the forecast of the Budget for the year 1868-69, which was balanced by a surplus of 516,884 purses. Therefore, long protests were made at the irregularities in the payment of Government liabilities; a Committee was at once appointed to investigate the whole matter, and their report showed that the entire debt amounted to £22,000,000, of which £14,500,000 were attributed to the Khedive's predecessor, Saïd Pasha. The Floating Debt was estimated of £9,800,000.

To meet this latter liability, the Finance Minister proposed to contract a loan for £6,000,000, and this, together with a slight increase of taxation, would enable him to wipe off the Floating Debt altogether. It was now Messrs. Oppenheim's turn to undertake this operation. The experience of the past had taught the Khedive not to rely on others. The loan was to be guaranteed by custom dues, &c., and repaid in the course of fifteen years, at the rate of interest amounting in all to 11½ per cent. The loan was floated simultaneously at London, Paris, and Alexandria. By one curious clause in the contract, the Government undertook not to make any other loan during the course of the following five years. This was, however, but the first scheme, and destined to early modifications. The sum was soon increased to £8,000,000 and the term for repayment to twenty instead of fifteen years. New guarantees had to be

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added, including the tax on landed property, on small cattle, and the oil mills. The matter was, nevertheless, finally settled on the 7th of July; the amount of the loan was £8,000,000, the annuity £953,297, and the term for amortisation thirty years.

The delegates who had been convoked to give a constitutional tone to the deeds of the Egyptian Government might have inquired why £8,000,000 had been borrowed, when they had been assured £6,000,000 were more than enough. But these representatives had been dismissed when their services were no longer required, and no time was given them to meditate over any awkward questions. Also, a couple of millions extra was but a trifle to meet the cost of the magnificent feast the Khedive had given to his friends, and all the presents he had been obliged to make so as to maintain his popularity and influence in Governmental circles at Constantinople. Apart also from all these considerations, the Khedive scarcely troubled himself as to the opinion of the taxpayers; he only thought of those who subscribed to his loans. He was far more anxious to pacify the bondholder than his bondsmen. When, however, the accounts were finally made up, it was found that the Government only received in hard cash £7,195,384, which raised the cost of interest and amortisation to 13¼ per cent. It would not have been very easy to conceive anything less favourable. But then on all sides the great and glorious fact was proclaimed that once, and for all, the Floating Debt had been abolished.

To financiers, the insufficiency of the loan was self-evident. The Viceroy went into the matter in a purely Turkish spirit. His sole object was to obtain temporary relief from present embarrassment; ultimate consequences remained unheeded. The loan contractors, on the other hand, were anxious that the financial position should not be completely cleared up. They were desirous of leaving the germs of future complications that would enable them to undertake other transac-

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tions. It was also generally believed that the resources of the country were not yet exhausted.

In the meanwhile, the Khedive had altered his itinerary. He abandoned his projected journey to Eaux Bonnes and Ems, so as to remain at Constantinople, where he lingered for three-and-a-half months. It was at this time that the celebrated firman, revoking the Mahometan law of inheritance in favour of Prince Tewfik, was negotiated, as also the right of the Khedive to enjoy the title of Highness. Under these circumstances, great satisfaction was experienced when the Viceroy finally tore himself away from the seductions of the capital of the Ottoman Empire, and returned to Alexandria. Already matters had taken an unfavourable turn, in spite of the recent loan; the rate of discount had risen, and the Government had itself increased this feeling of depression by organising a sham conspiracy, which afforded a pretext for the expulsion of the Khedive's uncle, Prince Halim. Of course, the victims of these unworthy machinations became the object of universal sympathy, and the manifestations in his favour further augmented the general anxiety.

The year 1869 opened under very unfavourable auspices. The dispute between Turkey and Greece, which had been considered a trivial matter at first, now assumed serious proportions; and the wealthy and influential Greek colony at Alexandria became alarmed. A war between Greece and Turkey would have been a great financial calamity for them, while, on the other hand, their ardent patriotism would have made many forsake commercial interests. Rumours of a new loan further increased public anxiety. On the 28th of January, however, the Khedive sought, by his speech at the opening of the Chamber of Delegates, to reassure the public mind. He not only gave a lengthy description of the financial position, but drew up a brilliant sketch of the public works, the railways, the canals, the bridges, &c., which were to be constructed to ensure the greater prosperity of the country. Unfortunately, in another paragraph,

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the Viceroy alluded to the proposed increase and improvement of the army, a fact which the Sultan did not fail to note. The Khedive finally sketched a sort of Charter on the following five points:—1st, the abolition of forced labour; 2nd, the development of commerce and agriculture; 3rd, the diffusion of public instruction; 4th, the establishment of a civil list for his personal expenses; 5th, judiciary reform, which had already obtained the assent of all the Great Powers. But then, as if to prove how little these words might be relied upon, the Khedive added:—"The debts contracted by Saïd Pasha amount to £22,000,000, as you (the Delegates) have recognised," and further on he added: "Our debt is now reduced to about £17,000,000, including the last loan."

As a matter of fact the official report drawn up by the delegates on the 2nd June, 1868, showed that Saïd Pasha's debt was only £14,000,000, and even this sum is overestimated to the extent of £3,500,000. As for the actual debt being reduced to £17,000,000, such an affirmation was absolutely grotesque. Without counting the Floating Debt and the Daïra Loan, the Loan of 1864, 1866, (railways) and 1868, the Loan of the 1st January, 1869, amounted to £22,797,977. Altogether the liabilities amounted to something like thirty millions sterling. It is surprising that a ruler who, on so solemn an occasion as the speech from the Throne, at the opening of what was called the Egyptian Parliament, could make such grievous and absolutely false statements, should for so long have retained the confidence of many Europeans. The effect on the public mind was instantaneous. The forecasts for the Budget of the current year were discredited, and the rate of discount again went up. Fortunately, the spring, the cotton crops, the success of the Suez Canal, mitigated to some extent the evil effect of the vice-regal speech.

During the first week of April, public attention was greatly diverted by an attempt against the life of the

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Khedive at the Grand Theatre of Cairo. When the matter was investigated, it was again found to be but a false alarm. Under the cover of the excitement this conspiracy caused, the Assembly of Delegates was dismissed without attracting much public notice. No one knew exactly what the delegates had done. Their discussions were shrouded in mystery; all that could be said was that they had imposed a number of new taxes, especially on the beasts of burden, oxen, camels, &c.

The period was now at hand when the Suez Canal was to be opened, and the Khedive, enchanted by the success of the enterprise, anxious to make some retribution for the impediment he had placed in its way at an earlier stage, determined that the opening ceremony should be of unsurpassed magnificence. The crowned heads of Europe were to assist at this great event; but the Sultan took umbrage at his vassal's action in thus taking upon himself to invite the Sovereigns of the great Powers. Abdul Azis protested, and a dispute ensued, which lasted six months, and ended in the Khedive yielding to the severe terms imposed by the Porte. Henceforth he was not to augment the taxation of Egypt, or to contract new loans without first obtaining the Sultan's sanction. The Egyptian Army also was to be held at the disposal of the Suzerain. All these matters did not improve the credit of the Government, and, in May, a temporary loan of £400,000 cost 11 per cent. These difficulties gave rise to the idea of starting one or two local banks which might in future facilitate such transactions. In the course of the month of August, the Ministry had negotiated a bill to the amount of £1,000,000 through M. Lévy Cremieux, and from this rose the creation of the Franco-Egyptian Bank. Again, through negotiations with Nubar Pasha and M. E. de Girardin, the semi-industrial and semi-financial institution, known as the Société Générale Egyptienne, sprang into existence. The ostensible purpose of this society was the digging of a canal, which was to water the

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north-west portion of the Delta, and shares on the land thus cultivated were to be created. Unfortunately, this, the most practical and justifiable side of the enterprise, was soon abandoned, and the whole affair resulted in a purely financial transaction.

While the Khedive was dabbling in these matters, a panic occurred during the month of November, which greatly impeded M. Cremieux's efforts to obtain the £1,000,000 mentioned above. Orders had been received from Constantinople not to levy any taxes for sixty days, and the banks became alarmed when they heard of this measure. How were the current expenses to be met, if the sources of income were suddenly stopped? Every effort was made to meet these difficulties. It was suggested that the reimbursement of the 1866 railway loan might be postponed for a little while, but the *Comptoir d'Escompte* would not accept this proposal. Negotiations in other quarters became more and more difficult; and, finally, when it was discovered that the Khedive had placed £1,000,000 in some European banks for fear that his dispute with the Sultan would result in his expulsion from Egypt, the panic became more and more intense. Nevertheless, the long series of *fêtes* organised in connection with the opening of the Suez Canal, were carried out without any hitch, and their splendour were all that even the fertile imagination of the Khedive could have desired. The hour of reckoning came at last, however, and the total cost of these festivities was estimated at about £4,000,000. In vain Messieurs Janty and Gibiat displayed all their great skill to raise money through the Société Générale Egyptienne; nothing could overcome the mistrust manifested by the public. The railway annuity was due on the 1st of January, that of the Daïra Loan on the 8th of the same month; and, to avoid a catastrophe, the Khedive had to bring all his personal influence to bear. He at last succeeded in borrowing £300,000 from one of his opulent visitors. Thus the year 1869 was brought to a close with

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more complications and difficulties than had ever been anticipated; and the Floating Debt was now raised to at least £12,000,000. In spite of this, however, the Khedive had only acquired greater confidence in himself. The splendour of these festivities, the compliments received from the greatest public men of the day, all these external manifestations of power and success, so elated the Khedive that they blinded him to the danger of ruin which was becoming every day more and more certain.

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CHAPTER VIII.

AFTER THE FALL OF THE MOUFFETISH.

MR. DICEY, in the *Nineteenth Century*,* put his finger down upon the incurably weak point in the Goschen-Joubert scheme. "Nor is there," he says, "any remedy for this state of things so long as no Power stands between the Khedive and his subjects. By Mr. Goschen's scheme the taxation of Egypt must be kept up at the highest point possible, in order to meet the interest on the debt. By this scheme, too, the margin of funds at the disposal of the Khedive, after providing for necessary outlays, is quite inadequate to his requirements. The result will inevitably be that the fellaheen, besides being taxed to the utmost for the regular taxes, will have fresh imposts placed upon them irregularly, in order to provide funds for the privy purse of the Viceroy. To any one acquainted with Egypt, nothing is more significant than the fact that the one point on which the Khedive refused to listen to any representations in his discussions with Mr. Goschen, was, if I am rightly informed, as to the nomination of the tax-collectors. † Whatever other arrangements might be made, his Highness laid it down as a *sine quâ non* that the revenue should be actually collected by officials appointed by him, and holding their posts at his pleasure. Under these circumstances, it is not wonderful that the tillers of the soil in Egypt should find their burdens

* June, 1877. † The present Egyptian Government stick to this right.

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harder than they can bear, and should be ready to welcome any change."

Before the summer following the sacrifice of the Mouffetish, and the installation of the Goschen-Joubert machinery for the regulation of Egyptian finance, the radical defect in it which Mr. Dicey here points out, had been felt. It had, indeed, been seen from the first, not only by those Levantine Bondholders who keep vigilant watch-dogs at the Palace of Abdin, but by all European residents in Egypt. While the late Khedive, through his own officers, collected the taxes, not only would the public credit be insecure, but the Egyptian people would remain subjected to extortions proportioned to the necessities of this ruler. The Mouffetish was dead—"dead as a door-nail"—but the moudirs and sheiks, whom he had inspired and directed, in intimate concert with his Sovereign, were still active and powerful in the land, and still knew no master save the Khedive. In making concessions to the European creditor, the Viceroy had cunningly reserved for his own servants the avenues to the hoards of the fellaheen, and for his son the shoes of Ismaïl Sadyk. The consequence of this trust which Messrs. Goschen and Joubert had, in their sweet Western simplicity, put in the Viceroy's words soon began to appear.

In his report, Mr. Cave had accounted for the notorious general dishonesty of public servants, from the Ministers downwards, in a few words:—"The public servant in Egypt, like the Roman pro-Consul, too often tries to make as much out of his office while it lasts as he can, and then scandal takes place, and the retirement in a few years, with a large fortune, of men whose salary is £40 a month, and who have plundered the Treasury on the one hand, and the peasant on the other." Mr. Cave might have added that this servant's £40 a month was most irregularly paid. He might have added also, that this nefarious Civil Service was directed by an absolute Monarch, who was not above sharing in the general plunder. The

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vessel of the Egyptian State was a pirate ship, of which the Khedive was the captain, with a pirate captain's proportion of the plunder. When we bear in mind that in eight years the Mouffetish, Ismaïl's second in command, a promoted fellah, managed not only to live at the rate of £300,000 a year, and to leave property which realised over £600,000, together with 30,000 feddans of land, we are able to form a faint idea of the prize-money of the captain. Our imagination, stimulated by the glittering spectacle of the Ismaïl Sadyk's palaces after his death, soars to visions of wealth "beyond the dreams of avarice," when we think of the treasures that lay within the walls of Ismaïl-Pasha's score of palaces when he was deposed. When we remember that all this wealth had been accumulated through such instruments as the Mouffetish and his underlings, and that the machinery for "squeezing the fellah" was long left uncontrolled in the hands of the man who caused the Mouffetish to disappear as we have described, we are surprised at the duration of the Goschen-Joubert scheme, and not at all at its collapse.

Throughout 1877 the dishonesty of the Egyptian Government prepared a collapse, which a bad Nile helped to precipitate. The daily stories of the impudent manner in which the late Khedive's servants helped to mystify the European comptrollers, to intercept the taxes on their way to the Debt Office, to effect surreptitious sales of sugar and other produce, defrauding thereby State and Daïra creditors, and to defy the judgments of the law courts, would fill volumes of a *chronique scandaleuse*. At Cairo, Alexandria, Marseilles, whenever Egypt had commercial relations in Europe, or a scrap of her paper was held, stories were current of Ismaïl's bad faith, and of the brutal indifference to the honour and prosperity of his country with which he continued, in the midst of the ruin he had brought upon his subjects, not only to exempt himself and his family from all kinds of taxes, but to lay hands on the money which was

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being wrung from the peasants to fulfil his engagements towards the national creditors.

Towards the end of the year the scandal had grown so serious, and threatened consequences so disastrous both to the national creditors and the native population, that it had become clear that further and severer European intervention in the affairs of Egypt was inevitable. To begin with, it had been demonstrated that no faith could be placed in the word of the Viceroy, nor in the testimony of State servants. Captain Baring (one of the Public Debt Commissioners and now Controller), in a letter to the *Times* (Feb. 21, 1878), exposed the simplicity embodied in Mr. Romaine's report on the revenues of Egypt, declared that it was impossible to accept the testimony of any Egyptian official, and concluded that Mr. Romaine's estimate, which had been got up in an office in Cairo, was not a trustworthy statement, on which the public creditor could be asked to abate one jot of his pretensions. He agreed with Sir George Campbell* that the evil under which Egypt was suffering was not the burden of the acknowledged taxes, but the number and weight of the unacknowledged taxes, or impositions which were whipped out of the fellah, and which never found their way to the Public Debt Office, or even the Ministry of Finance.

While filling his pockets with unacknowledged taxes and sales of produce, Ismaïl had been labouring to make his revenue look small, in order to reduce the interest on the loans; in other words, to escape from part of his liabilities. The Goschen-Joubert scheme left Ismaïl proprietor of his enormous private properties, charged with a debt of some nine millions sterling. It was this debt, and the scornful conduct of the Viceroy when, under the Réforme Judiciaire, judgments were entered against him for floating personal liabilities, and the violence with which his officers resisted lawful executions, that completed the exasperation of the Europeans who had been his victims. The judges protested

* In *Fortnightly Review*, January, 1878.

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that they would not stand by and see their solemn records treated as waste paper. The Court of Appeal entered a formal protest against the conduct of the Government, and forwarded it to the consuls.

By the beginning of 1878, it had become utterly impossible for the Viceroy to satisfy the mighty sum of judgments which stood against him. The Goschen-Joubert scheme had fallen through, in consequence of the dishonest rapacity of the Government. Was bankruptcy to come at last?

Ismaïl-Pasha troubled himself little on the subject. Gaiety and splendour undimmed and undiminished reigned in the Palace of Abdin; and to those who came with long faces, his Highness announced that his affairs were in the hands of Messrs. Cave, Wilson, Villet, Goschen, Joubert, and Co.

"Hundreds of his subjects," it was remarked in a letter from Cairo, read by Mr. Cobb to the Society of Arts,* "to say nothing of Europeans, are starving only a few yards from his doors; but nevertheless the construction of three stately palaces between Ghezireh and the Pyramids is being proceeded with as before. Such being the case, it can scarcely be wondered at if his Highness's popularity is not on the increase, or if his creditors refuse to acquiesce in any reduction in the interest stipulated for. The impression everywhere is the same, namely, that the country is rich enough to meet all his engagements, and that any inquiry into the revenue is not merely uncalled for, but simply a pretext for defeating the claims of his creditors." The revenue of ten millions had been reckoned upon; and a bad Nile, dishonest tax-gatherers, and fradulent returns to the Debt Office, had reduced it to eight millions and a half. This was Ismaïl's opportunity for partial repudiation. Foiled in this, his Highness suggested that the whole matter of Egyptain finance should be referred to the Sultan. The peremptory answer which he received put an end to this

*March 19, 1878.

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device for avoiding the national creditors; and Ismaïl-Pasha learned, in terms not to be misunderstood, that he would not be permitted to imitate the example of his Suzerain. But he was not checkmated yet. Seeing judgment gathering thick around his Daïra properties, he had recourse to an old trick for cheating creditors: he hastened to make over immense properties to his relations, against whose estates there were no claims.

In short, Ismaïl-Pasha behaved in regard to the Goschen-Joubert undertaking, as he behaved in every previous undertaking for the settlement of the National Debt. He kept faith neither with the spirit nor with the letter of his engagements. Unabashed and shameless in the presence of charges against his honour and his honesty, which were openly spread throughout his own kingdom and on every Exchange in Europe, and which were written in the reports of the European officials who had been put into his public offices, as police are put into suspected places; without an answer to all the horrible innuendoes conveyed in the *Abou Naddara* —he waited in his Palace, "infamous and content," for the crisis.

It was heralded as the crisis of November, 1876, was heralded. Under the head of Necrology, the committee at Cairo forwarded to the editor of the *Bulletin Hebdomadaire du Comité des Créanciers du Gouvernement Egyptien* the following, dated April 29, 1878:

"The deaths which succeed each other amongst the Khedive's counsellors have struck consternation into the hearts of the inhabitants of Cairo. Albeit the European colony is in conflict with the Viceroy, it cannot help sympathising with the most sincere grief which his Highness experiences at seeing his faithful servants and oldest confidental advisers disappear one after the other, at such short intervals.

"Murad Pasha, Director-General of the vice-regal Daïras,

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and the private friend of the Khedive, has expired after a few days' illness.

"Scarcely had the emotion caused by this death subsided, when it was announced that Safvet Bey, who had become insane a few days before, was dead.

"Safvet Bey was at the same time Sub-prefect of Police at Cairo, and Director of Works of the family Daïra, and was specially occupying himself with the large works actually going on at the Ghizeh Palace.

"Next died Damian Bey. He was well known by all persons who have come in contact with the Minister of Finance, and on his shoulders rested the weight of all the booking of that colossal adminstration. He took part in all the large undertakings of the late Ismaïl-Pasha and the Mouffetish.

"Almost at the same moment the funeral of Ali Pashi Topji, General of Artillery, who died suddenly at the age of forty-five, took place.

"The day before, or the same day, the son of Hallafallah-Pasha departed this world, about a month after his father, who was the celebrated Director of the Belledieh Daïra.

"Lastly, only to speak of the best known of the dead, Kassim-Pasha, Governor of Cairo, President of the Chamber of Deputies, ex-Inspector-General of Upper Egypt, ex-Minister of the Admiralty, ex-Director-General of the Kassa Daïra of the Khedive, died suddenly.

"The impression which this event made was all the deeper, as nothing augured such an untimely end.

"Indeed, Kassim-Pasha, the very night of his death, stopped until ten at the Viceroy's Palace, whence he repaired to the Khedive's mother, to take part in the rejoicings at the safe return of her grandson, Hassan-Pasha, Commander-in-Chief of the Egyptian expeditionary force, which was engaged in the last campaign against Russia.

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"Kassim-Pasha died at home, one hour after he had left the fête.

"These deaths are the more to be regretted because amongst those who have disappeared within the last ten days were men whose honourable and firm character had often had occasion to show itself, and whose counsel, sometimes severe, had been tolerated by his Highness the Khedive.

"While the inquiry is going on, their depositions and statements would have been particularly precious, because of their deep knowledge of the affairs of the country, and because of the sincerity with which those statements would have been imbued."

The irony of this, *saute aux yeux.*

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CHAPTER IX.

A PROTEST.

It was while Egypt appeared to be trembling once more on the verge of bankruptcy, and the bad faith of the Khedive was giving rise to the most ominous sounds of impatience and of anger, that his kinsman and lawful heir, Prince Halim-Pasha, whom he had driven forth because he had protested against his cruel oppression of a humble friend and servant, raised his voice of warning from his place of exile at Constantinople.

"Monseigneur," Prince Halim-Pasha wrote, "driven from Egypt by the unfounded distrust of your Highness, who have refused to recognise in me anything but a discontented relation, when I was only a sincere adviser, the more clear-sighted because I lived away from the glitter of your Court, I should be justified in disclaiming, at this moment, all responsibility for the deeds, so injurious to the country and its creditors, which have been wrought within the last ten years and upwards, and in entering a public protest against them all.

"But I cannot forget, Monseigneur, that you are the head of our family, and that in that capacity your relatives, even when separated from you by a complete divergence of ideas, owe you succour in the hour of danger.

"And it is to succour your Highness, that I try to

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enlighten you upon your situation and its perils. If the severity of my language should strike you, I would beg you, Monseigneur, to remember, before taking offence, that he who speaks it is solely inspired by the ardent desire to see you abandon those mistaken courses so disastrous to your country and to the dynasty of Mehemet Ali, of which he is, after you, the head.

"It is idle to revert to the causes which brought about the catastrophe of 1876; but it is necessary that I should dwell upon the events which have taken place since the suspensory decree of that year, for it is to them that the actual extreme tension of your relations with Europe is owing.

"To my mind, Monseigneur, you were ill-advised at that time in not boldly accepting, painful as they were, the consequences of the situation in which you had been placed by the suspension of payment by your Government and your Daïra.

"You had but one course open to you: to break up in a striking manner the state of affairs which had brought you to ruin.

"To suppress all expenditure not absolutely required for the necessary public services;

"To conclude at once that Abyssinian war, which evil counsellors had made you undertake, to the detriment of Egypt;

"And this done, to act towards your creditors with a candour above suspicion.

"If affairs had been managed thus since 1876, to-day you would not see, Monseigneur, rise up against you a coalition of interests which your last decree has driven to despair. For such reforms would have enabled you to keep the promises which you made your creditors, besides sparing the agricultural classes of Egypt the misery which is crushing them, and cannot but diminish the resources of the country.

"But instead of this, what has taken place?

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"Misinformed, your Highness has satisfied no one; for, notwithstanding the good intentions by which I am convinced you are inspired, your Government has pursued its familiar course of error. The financial expedients of happier days, when you could command credit, have been multiplied, but under conditions which naturally render them more burdensome. Thus is it that, without taking into account the very fact of your having stopped payment, which forbad you issuing any new Treasury Bonds, your Highness's Government continued to issue them during almost the whole of 1876, offering for next to nothing these Bonds, whose value was lessened by the mystery of their existence.

"All this took place in the very face of the persons successively summoned from Europe to make investigations.

"It seemed to be imagined that their omission would never be disclosed.

"And whilst so much was being said about the State Budgets fixing the amount of the revenue, your Government was collecting, besides the regular taxes of all kinds therein accounted for, extraordinary taxes of all kinds, supplementary duties, which ruined the people, and ended by making them give up, in many places, their lands; and all this immense increase in revenue did nothing towards diminishing the Public Debt.

"Can any one be astonished that Europe, knowing these things, refuses to accept the statements made in your Highness's decree of the 27th of January, and to carry on the investigation which is demanded?

"The settlement of the affairs of the Daïra has also been subject to severe criticism. (I will neither state nor believe the alleged cause.)

"The part of your property, which was set aside to guarantee the payment of the National Debt dividends, is declared insufficient, Monseigneur, by those who perceive

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that the revenue of the State, formerly stated as amply sufficing for such payments, shows a deficit.

"Since I am upon the subject of your private affairs, let me tell your Highness this: the arrangement made in May, 1876, by virtue of which the debts of the State and your Daïra were submitted to the same treatment, appeared to me most reasonable.

"You would have escaped many violent attacks if the negotiators of November had adhered to those terms; and there is no doubt that they would have consented to do so, if your Highness had been willing to give the property, constituting the Daïra of the family as guarantee.

"The most unfortunate and deplorable, and at the same time inevitable, consequence of your Highness's line of conduct towards your creditors, those of the State, is the serious conflicts which have taken place between the international magistrature, sent to reform the Egyptain judicial system, and the Sovereign, who holds in his hands the sanction of the judgments which the courts pronounced. Two years have hardly elapsed, and that agreement, which might have been the means of greatly benefiting Egypt, is violated, to the detriment of our country.

"It might have been otherwise if your Highness had proceeded as you should have done; for then you would not have been every day a party in appeal cases.

"I will not hide from you, Monseigneur, that watching, as I did, with great interest the measures of judicial reform which you undertook, and entirely sympathising with you, I was deeply pained to see them threatened with abortion.

"The above remarks, Monseigneur, have not been dictated by that weak sentiment which often induces the inactive to criticise the active; but my aim in revealing to you the entire extent of the errors which you have committed, and the severity with which they have been judged abroad, is to more strongly impress you with the necessity of speedily repairing them by adopting the following

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measures, the honest carrying out of which can alone, am I persuaded, prevent the ruin of yourself and your family:

"1. Place the financial administration of the country in the hands of Europeans, chosen by the interested Powers; such administrators alone having the power to appoint and dismiss all officials connected with the finance of the country.

"2. The financial administration thus constituted, and all its dealings being carried on in broad daylight, you must appoint a Special Inquiry Commission, chosen by the high officials, to establish an equitable repartition of taxes, which are now arbitrarily distributed and levied.

"3. All property belonging to the princes and princesses shall be made over to the State, so as to be used in payment of all debts.

"4. The revenues of all the Daïras, the Khedive's and his family's being thus devoted to the paying off of public and private debts, the Civil List, the amount of which will be agreed upon with the representatives of the interested Powers, will support the Khedive and his family.

"5. The reform tribunals having over them a Sovereign free from all personal interests, and by whose care all the judgments which they pronounce will be carried out, will be empowered, over and above their present jurisdiction, to try causes between natives, if the latter shall so choose it.

"These are, briefly stated, Monseigneur, the principal measures which I implore you to undertake sincerely, and without delay. As for the results to be obtained therefrom, they will be beneficial to you and to all, beyond your expectations. You will have lost, it is true, the free disposal of immense sums; but you will allow Egypt to lift up her head, and face the claims upon her, which she can, with regular administration, amply satisfy. The confidence of Europe, and the affection of your people will be yours once more. May your Highness be convinced that my present

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conduct is that of a relation devoted to you, and anxious for your welfare."

"Balta-Limann, March 4th, 1878."

This honest appeal to the kinsman who had wronged him, from the only surviving son of the great Pasha, created a profound impression throughout Egypt. It was reproduced throughout the Press of Europe; and Prince Halim's five articles of reform became the basis on which the discussion of Egyptian affairs turned. In the course of these public and private discussions, doubts were expressed whether, if the course of events made the counsellor ruler over Egypt, he could himself carry out the reforms which he pressed upon his nephew.

In the form of a letter (May 1, 1878), dated from Constantinople, to his friend, M. Valenti, he boldly met their doubts.

"I have read with particular interest all you have written to me on the conversations you have held about my letter to the Khedive. The remarks you have heard might have been anticipated. I have no hesitation in answering them.

"But to begin with, my dear Valenti, it must be understood, that if I put aside for a moment my position of spontaneous adviser, to assume that of prospective ruler, it is only in order to reply peremptorily to the allegation which you say has been made, to the effect that I should not follow the advice I now give, if events called me to power. I will not be misunderstood in this respect.

"With this preface, I authorise you to make any use you may judge to be proper of the following declaration, which are the expressions of my convictions:

"If events were to impose upon me the task of governing Egypt, my acts would certainly be in harmony with the ideas expressed in my letter to the Khedive. Faithful to the policy which I have advised, and which I consider to be the only remedy for ending the present terrible crisis, I should have it carried out in every particular.

"A sound financial administration, carried out as I have explained, by Europeans, whose proceedings would not be

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illusory, with the resources which the property of the Khedive and his family (excepting of course their patrimony) would produce, would, I am convinced, bring about such a satisfactory state of financial affairs as would permit Egypt—her own debt provided for—to help the Ottoman Government, to a certain extent, to satisfy their own creditors. This I should like to see: Egypt being an integral part of the Empire.

"I willingly touch upon the other points on which you have been questioned.

"In regard to government generally, you have long known my sentiments are persistently liberal. This means that if I governed Egypt, THE ABOLITION OF SLAVERY WOULD NOT ONLY BE THE LAW, BUT THE RIGIDLY ENFORCED LAW. I am studying anxiously this question of abolition of slavery in Egypt, let me say *en passant*. I cannot think that the arrangements which have been made will be efficacious. The radical suppression of the institution is not where it has been sought—but elsewhere.*

"In conclusion, you are asked whether I would grant the absolute freedom of the Suez Canal. The freedom of the canal, to my mind, is beyond discussion. By raising this question, you give me the opportunity of declaring that in my judgment all that relates to the Canal is of a purely international character; and that, in regard to it the Viceroy of Egypt should be content to act in accordance with the agreement of the interested Powers.

"This, in any case, is the line I should adopt on all foreign questions."

This exposition of the system which alone can give permanent peace and prosperity to Egypt, was to be presently met by Ismaïl's son, Tewfik, in the shape of a shameless act

* The prince evidently refers to the connivance at the slave trade that is inseparable from a system which permits the possession of slaves for domestic service; in fact, from the system which we have already described. The ruler who affected to be an abolitionist was, as we have shown, both a buyer and seller of slaves.

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of confiscation of the private properties of the enlightened, liberal, and honest Prince, who, but for M. Waddington, and the weak submission of Lord Salisbury to the French Minister's views, would have always established a strong government on which England could rely, on the banks of the Nile. But, to return to Ismaïl's "road to ruin."

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CHAPTER X.

THE INQUIRY.

THE famous inquiry, instituted by Decree, dated March 30, 1878, once set on foot, Ismaïl betook himself without delay to his old courses of deception. To begin with, he secured his Notables, who, albeit they held no meetings, were not permitted to go home to their respective districts, lest they should fall, isolated, into the hands of the European inquirers.* All officials who were likely to be questioned by the Committee of Inquiry were made to rehearse their answers. Undeterred by the solemn protestations of impartiality and of candour which he had made, his Highness deliberately put every impediment in the way of information not to his taste; treated the inquirers as enemies to be deceived, and not as friends who had come to help his country and him out of a difficulty; and, in short, showed himself to be incapable of voluntarily adopting an honest course, because such a

*The Chancellor of the Exchequer, in reply to Mr. Rylands, explained the part the Government had taken with regard to the inquiry. He described Ismaïl Pasha's Goschen-Joubert engagements; how he had broken them, alleging that they didn't leave him money enough for the conduct of his government; and how he had thereupon stopped payment; how his creditors had obtained judgments against him before the new tribunals which had been established by European concert; and how he had defied these, thereby risking grave political complications—one being the failure of the Khedive to pay the part of the tribute to the Porte, which had been made over to England for payment of the Turkish Loan guaranteed by us. On these grounds, and the assurance that the inquiry would be a *bonâ-fide* one, and lead to a serious settlement of Egyptian finances, the Government had consented to Mr. Rivers Wilson acting as one of the committee.

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course must entail personal sacrifices. Dismayed as well as angered by the widespread effect produced by his banished uncle's letter of advice and remonstrance, and conscious of the necessity of adopting the policy, or something very like the policy, indicated in it in order to save his throne, his airs of honesty sate ludicrously upon him, and the Egyptians laughed when the Arab satirist, Abou Naddarah, drew a caricature of Ismaïl at his devotions. The French called him Tartuffe; the English, Jeremy Diddler; the Arabs, the Son of Sin. The Committee of Creditors established at Alexandria and in Cairo appealed to the Committee of Inquiry against the whole tenor of his rule from his accession, when in his speech to the consuls-general he promised the abolition of forced labour, the reform of the judicial system as applied to the natives, and free trade, down to his latest acts, which were defiance of the judgments of the international tribunals. At the very moment when he was most solemnly protesting that he had mended his ways, and that he was ready to subject his finance entirely to European control, his agents were most active in their exactions.

In short, the famous inquiry which Ismaïl intended to use as he had used his former hypocritical concessions to European opinion, was set on foot and carried out, not with the cordial and candid concurrence of the ruler whose misdeeds had made it necessary for the salvation of his realm from ruin, but in spite of the machinations of his agents to thwart the commissioners, and to falsify the information of which they were in search.

M. de Lesseps accepted the presidency of the Commission with reluctance, but he could not refuse the pressing invitation of the Khedive to undertake it. In the illustrious creator of the Suez Canal, Ismaïl Pasha had an old and trusty friend; but M. de Lesseps, while obliging Ismaïl Pasha, was not prepared to do violence to himself. He transferred the real presidency of the inquiry to Mr. Rivers

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Wilson; and retired to Ismaïlia, while the unpleasant work of convicting his friend of a career of dishonesty and avarice went forward.

Let us now pass to the famous Report of this Commission of Inquiry, which was published in September, 1878.

It was styled a preliminary report; but albeit the financial history of Egypt under Ismaïl for the last ten years was compressed into some 140 pages, it formed so crushing an indictment of the Khedive and his creatures, that it sufficed to produce a revolution in Egyptian affairs beyond the dreams of the most sanguine native reformers. The *Times* remarked on the report:—"Egyptian finance might be despaired of were its conditions less desperate; but when we find that the Egyptian Government has adopted every device that was ever fabricated by official folly for producing public bankruptcy, a gleam of hope pierces the darkness. Not even the books of Overend and Gurney revealed such astounding mismanagement as the Report of the Commission of Inquiry. The most extraordinary blunders of book-keeping to be found in the records of Basinghall Street would seem to have been studied by the Khedive as his models for the accounts of a kingdom. Had his subjects been his worst enemies, and their prosperity his perpetual eyesore, he could not have been more ingenious at devising combinations for their sure and not very slow reduction to insolvency and beggary. The new financial administration has only to remember what the Khedive did, acting as his own Chancellor of the Exchequer, and do the reverse, and it cannot go entirely wrong. We have now before us the full text of the Commission's Report, and never was a more formidable indictment framed against fifteen years of personal government. Mr. Rivers Wilson was Vice-President of the Commission, and may reasonably be credited with a chief part in compiling its statement. If the new Finance Minister is going to act in the spirit of his own memorial, Egypt will have some recompense in his services for all the miseries

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and trouble she has incurred from the millions lent by recklessly trustful Englishmen [and Frenchmen ?] to a recklessly prodigal Sovereign." The *Times* extenuated nothing, nor did the leading journal set down aught in malice. It was resolutely just to the end in estimating the Report, and its verdict of shame upon the Khedive.

"Before Egyptian rulers had learned the art of borrowing English and French money, the fellaheen were lightly taxed, and the soil of Egypt belonged to the Egyptians. Our Alexandria letter shows how the people have been gradually thrust off the land by their prince.* How day by day the subject has been ground down more and more to pay the charges which extravagance in high places has brought upon the land, is written in every line of the report." The Khedive is judged by the standard which he had the audacity to frame in his decree, appointing the Commission of Inquiry. He declared that no State revenue was secure which did not conform to the rules of equity and sound principles of administration. This from the lips of the master of the Mouffetish. The *Times* hoisted him on his own petard.

"The Commission has accepted the challenge, and establishes that never were justice and administrative expediency so neglected as on the shores of the Nile. Everything has depended on the Khedive's will. Taxes were supposed to be ordained by him, with the formal consent of his Privy Council. His personal command has, however, been sufficient authority; and the lowest official employed in levying them has been able to brandish over the tax-payer the autocracy of the Prince."

Although it is believed by simple outsiders that an end was put to this autocracy when Nubar assumed the reins of power, and Mr. Rivers Wilson and his French colleague took office, the grip of Ismaïl was by no means taken from the neck of the fellaheen. While the reforms were under

* This letter more than bears out the charges of Khedival land misappropriations, which are described in previous pages.

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meditation, as well as after they had been settled, the creatures of the Khedive, escorted sometimes by soldiers of his body-guard, bore treasures by night direct from the villages to the palaces, in direct defiance of the European comptrollers and guardians of the State creditor.

In September, 1878, the news of the seizure, or attempted seizure, of money from villages, raised on the verbal authority of the Khedive, on its way to one of the family palaces was disseminated daily. One day £7,000, on their travels from Beni-Souef to the palace of the Prince's mother at Kasr-el-Aly, and escorted by Daïra agents, were seized by the European comptrollers, only to be given up, after a sharp law contest. On other occasions the Debt Commissioners were more fortunate, and intercepted and held £18,000, which were being sent from Ghizeh, by the moudir Osman-Pasha Galib, to the palace, to the order of the Khedive; and £50,000 on its way from the moudir Jacoub-Pasha, of the province of Behera. When Jacoub-Pasha was questioned by the European authorities, he replied that he should always obey the direct commands of the Viceroy. An Arab paper that noticed these facts, attributing the energy of the Debt Commissioner Baravelli to the new Ministry, was threatened with suppression by Nubar-Pasha.

Most of the moudirs still *en fonctions* being of the school of Jacoub-Pasha, it is possible to form even a faint idea of the money that was surreptitiously flowing to the vice-regal palaces while Mr. Rivers Wilson was raising the last loan in Europe. A moudir of the Delta, accused of levying taxes without giving receipts, was summoned to show his books. A sum of £25,000 was not accounted for. His reply was that he knew no master save the Khedive, and that he obeyed even his verbal commands.

In November, 1878, a scandalous scene happened at a railway station outside Cairo, when two stealthy night bearers of treasure from the Moudirieh of Charkieh, who

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had been arrested by the post-office authorities as violators of the law, were rescued by one of Ismaïl's body-guard, acting under the orders of a superior officer, and escorted on their way to their destination. Ismaïl's reckless course of selfishness has been compared to that of the old woman in the fable, who killed the goose which laid the golden eggs. With the advent of Mr. Rivers Wilson in prospect, his Highness made a swift round of his goose common, knife in hand, to have a final slaughter.

"But will the Khedive," it is asked, "endure to see the financial administration, which was once under his immediate control, and even till now has been secretly directed by his orders, guided by the discretion of a foreigner at Cairo, the centre of a vast official system, in which the titular ruler has no part or place? That is the difficulty, not so much of Mr. Rivers Wilson, as of the Egyptian people and their creditors." It is a difficulty which remains still very far from solution. It can only be met, to the permanent satisfaction of Egypt and of Europe, by giving the Egyptians a capable and an honest ruler.

But the hand of Ismaïl was not yet off the fellaheen. The Egyptian Budget of 1878—the first approach to an honest statement of the finances of the country which Ismaïl permitted his subjects to see—suggested strange dreams. To begin with, it showed a deficit of close upon two millions sterling. The receipts were returned at eight millions and a quarter only; whereas, in spite of the bad Nile and deficient cotton crops, it was certain that Egyptian tax-payers had disbursed at least another two millions. "Where have these two millions gone?" asks the Alexandria correspondent of the *Mouvement Financier* (December 18th, 1878). "This is the secret of the various private exchequers of the Khedive; and so long as the Commission of Inquiry and the new Ministers have not got to the heart of it, you may be quite certain that very little is changed in Egypt. We have the Rothschild loan, it is true, to occupy our attention,

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until its successor comes out." This correspondent noted two, only two, items of the many fantastic details in the expenditure for 1878.

Under the head of pensions for services to the State, was an outlay of £76,180; and under that of pensions *concédées en vertu d'ordres supérieurs*, a sum of £58,710. Thus the pensioned personal favourites of Ismaïl-Pasha cost nearly as much as the public pensioners. Another item was suggestive. In the Foreign Ministerial Department, under the head of "subscriptions to newspapers," was the sum of £10,869! With such a pension list, and such a newspaper subscription list, Ismaïl Pasha should not have lacked friends.

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CHAPTER XI.

AN EGYPTIAN SLAVE QUESTION.

LET us now glance at the slave question as it still exists in Egypt, in spite of the noble labours of Gordon Pasha, and the honest anti-slavery protests of Prince Halim Pasha. M. Edmond About has drawn a characteristic picture of Ismaïl Pasha in 1868. Ismaïl Pasha received the French romancist at the palace of Kasr-en-Nil, in a vast hall dazzling with its wealth of silk and gilding, and its furniture, which is said to have cost £60,000. He was pleased to call himself the Prince of the Fellahs, and spoke volubly about Egyptian agriculture, speculating at the same time on the extent of the responsibility of his Government for the misery of the fellaheen.*

In his character of reformer—a part which he never ceased to play before Europeans—he appeared as the most tenderly paternal of the princes. The visitor, who knew nothing of the manner in which the peasantry had been robbed and tortured throughout his reign; who were ignorant of his career at Stamboul, when he was buying concessions from Abdul Aziz; who had heard nothing of his manipulations of the State finances for the benefit of his family, nor of the darker passages of his history, which his people had fixed upon him—was taken by a suave manner, a lithe and well-stored intellect, and a freedom from the

* 'Le Fellah.'

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old mysterious air of majesty which we are accustomed to associate with an Eastern Sovereign.

But Ismaïl Pasha had only a veneer of civilisation. The man was an Eastern autocrat, cunning and experienced enough to turn the ways and means of the West to account. He could talk about agricultural reforms, Howard's ploughs and American reaping machines; he was alive to the benefits of railways, and telegraphs, and steamships—to say nothing of the French octroi; he had cut boulevards through Cairo and Alexandria, and spent enormous sums on factories; but he had done most of these things with borrowed money and stolen labour—and all for his personal enrichment. This Prince of the Fellahs had brought the fellaheen to such a plight by raids upon their labour, their piasters, and their cattle, and by confiscations of their land, that at last, after thousands of years of oppression, the worm turned. They who know the Egyptian peasant well, and how much his patience will endure, can frame an idea of what the sufferings must have been that forced complaints and threats from them, and made them turn towards the prince who was banished because he protested against the lawless wrongs which his kinsman put upon some of his humble servants.

Slavery, we are told, is abolished in Egypt! But what is this mysterious merchandise which is being disembarked from the boats of his Highness, and transferred to carefully-closed railway carriages, marked 'The Viceroy's Harem?' The merchants who are so careful of their goods have only, even now, to say that they are for the harem of the Khedive, or one of the princes, or of the privileged pashas, to pass port authorities, customs officers, and railway officials, without a word. The goods are—white women.

As regards the blacks, albeit there exist Khedival decrees abolishing slavery, they are publicly sold. Sometimes a negress will escape from her master's house, and take refuge with the police, relying on the Khedive's decree

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abolishing slavery. But she has no hope of freedom if her master be a man of influence, or can pay a handsome bribe. She is cast into prison, on bread and water, to provoke her consent to return to her master. The very obstinate ones feel the argument of the stick; should the eloquence of the stick fail, the woman is married off to a negro soldier.

We have these facts from a European doctor of repute, who has long practised in Egypt, and is prepared to restate them on oath.

"We doctors," he remarks, "are often called to the palace of the princes or pashas to examine slaves which our clients are about to buy, just as we examine men for military service. Such calls happen to one almost daily; and since my particular study has been ethnology, I have not neglected the opportunities that an examination of every variety of the black race has given me. My first question is to ask the negress I am to examine the tribe from which she has been taken. I can now tell the tribe to which a black woman belongs almost at a glance—and I seldom, if ever, make a mistake.

"Well, I can affirm, after a practice of forty years in Egypt, that I never met a slave from Darfour, before the conquest of this country by the late Viceroy; more, that since this conquest, that nearly all the slaves I have been called upon to examine are from the conquered country, and so are all the black soldiers. These are dragged from their houses and fields by regular raids. And these are the results of that conquest which Ismaïl Pasha declared to be for the abolition of slavery, and the march of civilisation. These continue to be the results under the young Khedive fainéant, and the Anglo-French control.

"As regards the law of abolition, it has no effect on slavery in the harems. Who can tell what takes place within this mysterious region? White and black, they are carried within the harem walls, and the world without never knows how they live, nor how they die.

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"All I can tell you"—we quote the words of the doctor—"is, that in the time of Mehemet Ali, that is, in the days when slaves—men and women—enjoyed, at any rate, the shadow of a legal existence, their master dared not subject them to corporal punishment. He had only the right to sell them when he wanted to get rid of them. The negro or negress who had been ill-treated, ran away to the police to denounce the cruel master; and the police were compelled to witness the act of their sale to a new master. Moreover, when the fugitive had not committed any very grave fault, the master was compelled to give up to the slave the presents he had made her or him during the period of service.

"Compare that state of things with what happened after the death of the Mouffetish. The Viceroy Ismaïl having taken possession of all that belonged to his victim, selected the slaves that he wanted for his own harem, and sold the rest, retaining their jewellery and clothes, and hardly leaving them their linen. I saw sixty-five sold in this way to one house, at a very low price."

This, let the reader mark, happened at the end of 1876! It might happen again to-morrow under the noses of Messieurs. Baring and De Blignières.

It is true that, as M. About's somewhat fantastic "Fellah" observes, slavery in Egypt is not the cruel institution it was in the Southern States of America and in our own colonies. "European servants, in their pride of caste, sometimes say, 'We are not slaves.' In Egypt it is always the slave who issues the orders to the domestic servants. Why? Because, not being an independent person, he is an integral part of the master. He is an offshoot of his superior. He who bought him cannot cast him out without incurring a penalty. On the other hand, he has a right to demand his teskéré—that is, his letters of freedom—after seven years' service, if he is not satisfied with his condition. Slavery is so far from being despised in the Mussulman

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countries, that the Sultans of Constantinople, high priests of Islam, are all born of slave mothers, and are not the less proud for that. The Mamelukes, who long reigned over us, perpetuated their families by buying Caucasian children, whom they adopted when they grew up. Even now, a great Egyptian educates a little naked, two-footed piece of goods, whom he will marry at last to his daughter and make his heir. You may meet in Cairo ministers, generals, and chief magistrates who were bought as children for between £40 and £60."

This picture of slavery *couleur de rose* is a pendant to that which Mr. McCoan has presented to English readers. His account of slavery in Egypt is almost a justification of it. He divides the human merchandise into the black and the white. "To the one class belong the fair-skinned Circassian and the dusky but often beautiful Abyssinian; and to the other the darker, but still straight-haired Galla and the negro from Nubia, Kordofan, and Darfour." The white slaves are "Caucasian luxuries" for the harems of the rich; and now, being smuggled articles, their price is high. The foreign Consuls, not the Egyptian authorities, are the police whose vigilance the dealer in fair beauties has to escape. They are bought young, and, as they are of fine physique, and "wear much longer than either native or Egyptian ladies or Abyssinians," are married by their masters, or given to their owner's sons. These are the costly lights of the harem of the rich man. The second-best article is the Abyssinian beauty, who costs hardly more than one-fifth of her Caucasian sister; yet, says Mr. McCoan, the Abyssinians are, "in all but colour and wear, physically equal to the best of their white rivals." This second-rate article makes the wife of the middle-class Egyptian and the concubine of the Pasha.

The black slave-market, which is supplied from any black race of Northern and Central Africa, furnishes Egyptian houses with domestic servants. While Mr.

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McCoan fully admits the cruelties which attend the kidnapping of negroes for slavery in Egypt, he insists that once within the jurisdiction of the Nile police, "the condition of the captive becomes fairly tolerable." The slave trade is illegal in Egypt, but in this the law is almost a dead letter; and it seems, in the remote provinces, the Egyptian authorities directly control and profit by the traffic.

"Care," says Mr. McCoan, "is accordingly taken that the slaves are not unduly packed in the large *noggurs*, or cargo-boats, which transport them down the river, and that they have a sufficiency of food and water. Below the First Cataract, however, the law becomes operative, and thence down to Cairo the importation is strictly contraband; but by this time the numbers have been greatly thinned by sales *en route*, and the small "parcels" that remain are easily enough smuggled into Boulak, or landed a few miles higher up. Very few, it may be here remarked, reach Cairo by way of the Red Sea, as nearly all who are sent to the east coast are shipped across to a ready market in the Hedjaz.

"Once in the capital, the dealers (*djellahs*) distribute their stock among their agents in various quarters of the city, and there, although the police are supposed to be on the watch to prevent it, buying and selling go on under the thinnest veil of concealment."

Even according to Ismaïl-Pasha's panegyrist, then the Egyptian slave-trade was under the late Khedive tolerated in the capital. There is still a market rate. A first-rate Circassian, for the harem of the great, is quoted as high as £800 to £1,000; while a black boy or girl will fetch in sovereigns the number of their years. An Abyssinian girl between twelve and eighteen, ranges from £70 to £100, according to their physique. As for the eunuch, he has become a luxury within the reach of only the wealthiest families. The trade continues brisk, it seems, because the mortality is great among the slaves—how great, and how made great, are questions closely shut behind the harem

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walls. The market is supplied, in the common articles of negroes, by organised kidnapping, and the human merchandise is got to market after suffering shocking cruelties. Colonel Gordon emphatically promised to strangle the unholy traffic with the extraordinary powers which the late Khedivè granted to him; but he found the Khedive's own satraps the worst offenders he had to deal with. We are quite prepared to hear of a great revival of the slave-trade under the Turkish pasha whom Tewfik has sent to the Soudan.

Is it not somewhat difficult to be patient over this accursed business, while we hear that Ismaïl Pasha and his family, albeit zealous abolitionists before the world, are still buying slaves for their harems when bargains offer, and that the late Khedive, only three years ago, sold some of the slaves of his disgraced minister, and put the money into his pocket?

"I have already abolished slavery in my house," said M. About's 'Fellah,' "of which is some importance in Egypt; but this commerce in human beings will continue, either publicly or secretly, until we have reformed the organisation of the harem. The harem is an odious waste of humanity."

Unquestionably the harem is the curse of Egypt, as it is of Turkey. It is the centre, the headquarters of slavery and other abominations. It is a closed kingdom within the frontiers of which the master is absolute, and is responsible to nobody for his acts. It is practically beyond the reach of the law. It is the focus of plots, the theatre of how many crimes upon which the day will never shine. It is the prince's and the pasha's *imperium in imperio*, where he hoards his ill-gotten treasure. Ismaïl Pasha abolished slavery—much as he abolished the *corvée!*

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CHAPTER XII.

EXIT ISMAIL.

THE last days of Ismaïl Pasha's reign were thoroughly characteristic of the man. To the end he displayed his inherent boldness and insatiable greed. With the greatest prudence and forethought he made every provision to make exile eminently comfortable. Devoid alike of heart or principle, and believing money to be the only certain source of power, the surest means of winning support; he took every care to provide himself with the wealth necessary to indulge the most fabulous extravagance, and to continue that system of bribery and corruption on which is based all his political art. Long before the final order of deposition reached Cairo, Ismaïl Pasha had been taking measures which we can but briefly describe. Thus, for instance, we find it stated by the *Examiner* that the *Reforme* of Alexandria, the only independent Egyptian newspaper, published in its issue of June 16th, 1879, some interesting details of the last financial operations of the ex-Khedive before his departure, which M. Adolph Ebeling has made the basis of a lively article in the *Deutsches Montags Blatt.* The facts divulged may be taken as correct, as the Alexandrian journal has repeatedly, but in vain, challenged the Egyptian Government to deny or disprove the accuracy of its statements. Shortly before his departure, Ismaïl raised a loan of some eight hundred thousand pounds sterling

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among Alexandrian financiers to meet the payment of the March coupon. Nearly a million sterling to be found by hook or by crook to appease the insatiable maw of his wily Levantine creditors! But how? The taxes for the whole year 1879 had been raised in advance by the end of February. No amount of bastinadoing could extract more money from the unfortunate fellah. There still remained the harvest, which was exceptionally good, and at all events seemed to exempt the unfortunate down-trodden, poor, and patient agricultural labourers and their wives and families. On the barley and corn Ismaïl fastened his greedy eyes, and conceived and executed the following diabolical scheme:—He issued a decree, strictly carried out by the Governors of the various provinces, forbidding the sale of corn of any kind except to the Government. The Government ostensibly bought up all the harvest, and gave the unfortunate grower *bons* of fifty piasters for the *ardeb* (the market price being ninety to a hundred piasters)? but even that wretched half of the value of his goods the Egyptian peasant was robbed of, for the Government I O U is so much waste paper; not a donkey-boy in Cairo would give a para for it. Having collected, or rather robbed, the population of about 800,000 *ardebs* of corn, which they disposed of for about an equal number of pounds sterling, the Government were enabled to satisfy the claims of the bankers, who had already laid hands on four Viceregal steamers, notably the luxurious yacht *Mahroussa*, in which Ismaïl departed for Naples. The transaction is all the more reprehensible, when it is remembered that the Khedive has large sums—some say six millions sterling—lodged in London banks and elsewhere.

Having satisfied the bankers by these means, the Khedive was able to leave the country in his favourite yacht and carry away all his plunder without interference. But these very claims had already been provided for in a most patriotic and self-sacrificing manner by the ladies who

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people the Egyptian harems. The correspondent of the *Moniteur Universel* wrote as follows :—

It will not be forgotton that towards the middle of May last the Khedive promised, so as to save his crown, that he would meet his engagements with his own personal resources. He guaranteed to cover himself the liabilities with regard to the Floating Debt, if the Powers would only intercede in his favour with the Rothschilds. On this occasion all the women and Princesses in the Viceregal harems came forward and offered their jewellery, on the simple understanding that it should be sold, and the money thus obtained devoted to the payment of the Floating Debt. Ismaïl Pasha accepted this patriotic offer. Brilliants, diamonds, precious stones of every description arrived at the Abdin Palace; each bearing, carefully inscribed, the name of the donator. Even the wife of Prince Tewfik was not forgotten in the general sacrifice. Some consideration, it is true, was shown for her feelings. She was not called upon to resign all the jewellery, but had to give up a large portion. When this jewellery arrived at the palace, it was at once packed in boxes prepared on purpose. The end was not far distant. The Khedive sent for several bankers, showed some of the jewellery, and offered it as security for a loan. The terms were debated at some length, but the Khedive could never make up his mind. Thus the matter was postponed till the day of his deposition arrived; then he caused all the jewellery to be packed off to Europe; thus robbing the ladies of Egypt of the precious stones, many of them heirlooms, which they had generously sacrificed in the hope of saving the country from bankruptcy.

Nor is this all. Ismaïl Pasha had so fully made up his mind that, if compelled to leave Egypt, he would depart with his pockets full, that for several days before his downfall he employed some Coptic workmen at the Abdin Palace to dismount all his jewellery. These men where made to work day and night. The Khedive was determined to secure his valuables in the smallest space possible, the better to escape with them, if driven to extremities.

In the same manner he ordered his different harems to be concentrated at Cairo. By this means he was able to select more rapidly the ladies he would prefer to accompany him in exile. This did not, however, meet the views of many of the more fastidius of the woomen in question. Absolute disobedience was impossible, but they were able to demonstrate in an unmistakable manner how strongly they

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objected to be torn away from home and friends. Fits of hysterics were the first symptoms, and then followed a furious onslaught on the looking-glasses, which were soon broken into a thousand fragments. This done, various costly ornaments, little trifles which were bought at fabulous prices, were dashed down on to the ground and trampled under foot; the tapestry work was torn, and even some of the heavier furniture broken. So great was the damage done that the loss exceeded £8,000!

The property stolen by the ex-Khedive and carried abroad is estimated at about £4,000,000. On leaving Egypt he took between £200,000 to £300,000 from the public treasury, not to mention all the jewellery which he swept away from the harems.

The value of Ismaïl Pasha's plate has been estimated at £900,000. How much of this he was able to take away with him we may gather from the fact that his luggage when conveyed from Cairo to Alexandria, filled two goods trains, each of thirty-eight waggons. It is stated out of twenty-four dinner services Ismaïl Pasha contrived to carry with him twenty-two complete sets; leaving his son for the exigencies of State receptions, only two dinner services, and these the most meagre among his rich collection.

Prince Tewfik, Ismaïl Pasha's eldest son, was born in 1852, and was consequently fourteen years old when his father, the Viceroy, bought the firman from Abdul Aziz, diverting the formally established succession by seniority in the family of Mehemet Ali, in favour of his own direct descendants. The son of a slave, and but poorly endowed with intelligence, Mohammed Tewfik, though the eldest, was not the son for whose benefit Ismaïl Pasha purchased so dearly from Abdul Aziz the right of succession. On the contrary, Ismaïl proposed to the Porte that his favourite child, Ibrahim, who was then studying at Woolwich, should succeed him, though he was then only five years old. The

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Khedive's choice was not, however, accepted, and Husseïn was then suggested, as the next in age after Tewfik, but he also was rejected. The Mahometan law, and the letter of the Treaties of 1840-41, had been already and seriously disregarded to please the Khedive, and the authorities at Constantinople could not allow a double desecration of their ancient traditions. In vain Ismaïl Pasha pleaded that his eldest son did not possess sufficient intelligence to succeed to the Throne—the Sultan remained unmoved. At last, wearied by his useless efforts, the Khedive was obliged to content himself with Tewfik as heir-apparent.

This Prince, the somewhat doubtful heir to the Throne, though now twenty-seven years old had not done anything to modify the poor opinion of his abilities which even his father entertained some thirteen years ago. Nubar Pasha also expressed himself in no measured terms on this point. In 1878, previous to his departure for Egypt, a well-known statesman inquired whether it was true that the Prince was "a mere nullity." "It is worse than that," replied Nubar Pasha; "but with the *régime* that in my dreams I hope to establish for the Government of Egypt, this will not be of any consequence." In the eyes of his brothers, and even of his father, Tewfik Pasha is but an object of contempt. Ismaïl Pasha seeks, so far as possibe, to conceal his feelings, but the young Princes have no such delicacy; they, on the contrary, display a certain affectation in giving the greatest publicity to their views on the subject. Nothing serious can be said against Mohammed Tewfik—he has no evil disposition; but, by nature, he becomes a mere toy in the hands of any one who knows how to flatter and amuse him. At present, his valet has complete dominion over him, and everyone at Cairo and throughout Egypt expressed the contempt felt for the eldest son of the Khedive by giving him the nickname of "Madame Frederick"—Frederick being the name of the Prince's valet.

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In spite of these facts, Ismaïl Pasha could not ostensibly withdraw the son destined to succeed him from public affairs. He consequently gave him several sinecures. Tewfik Pasha was appointed President of the Privy Council, where naturally he never presided. His brothers were entrusted with the portfolios of the War and Finance Ministries, and occupied other equally responsible positions; but Tewfik Pasha was placed in charge of the new and light duties of the Ministry of the Interior, an administration composed of functionaries recruited from the neighbouring Ministries, and notably from the Finance Department. In fact, everything has been done to veil decently the political and intellectual nullity of this foolish son of a too clever father. Prince Tewfik stands trembling with dread in the presence of his father, and entertains a lively fear of his brothers. His weak mind finds some solace in religious devotions, and the mosques he has built are nearly as numerous as the palaces raised by his sire. Indeed, the love of building is the characteristic which father and son have in common.

On his accession to power, the little capacity Prince Tewfik possesses was devoted to repeating and perpetuating the errors and crimes which brought about his father's downfall.

His first deed was to maintain in power the Ministers who had led his father to defy the will and advice of Europe, to dismiss Nubar Pasha, Mr. Rivers Wilson, and M. de Blignières; the authors, in a word, of what had been described as Ismaïl Pasha's *coup d'état*. From a native Arab we have received some curious details concerning the men to whom Tewfik Pasha has entrusted the task of governing and regenerating the country. We translate this communication literally from the Arabic:—

Cherif, Prime Minister; Cherif is the man who, six or seven years ago, sent Miss Weber, his French mistress, to M. Bravé one night to burn his documents by which he had raised a law suit against Ismaïl. The infernal girl, as Judith of the Bible, made him lose his wits by drink, and

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succeeded in reducing to ashes the dreaded papers, to the great satisfaction of Cherif. Such is the noble past of our present Viceroy, for though but Minister by name, he is Viceroy by fact. His colleagues are well known in England and France—we read accounts of them in European papers. God only knows what will befall us under Tewfik's reign.

We can only say, and be sure of our assertion, that nothing is changed here. The inhabitants of our villages are starving to death, and the English travellers have witnessed their misery. The taxes paid to Ismaïl are not recognised by the agents of his son, and our tribunals are only busy with selling at half-prices the lands of the poor peasants in order to pay the debts they have contracted at a hundred per cent. from usurers for filling the crocodile-like mouth of Ismaïl who carried with him in his exile all the riches of the country.

Again, the following is from the memoranda of a native citizen of Cairo:—

Ibrahim Effendy Zaky, who had spent several years in prison for *fraud* is made chief of the Turkish office (*bureau Turc*) in the Ministry of Finances.

Kamal Bey, Osman Aarag, and Joseph Pasha are the favourite courtiers, and he who wished to get a situation in the Egyptian Government must make a bargain with them, as they enjoy a great influence over Tewfik.

Chaker Pasha, known in Egypt by the surname of "the destroyer," is made Minister of the Daïra Baladya (municipality of Cairo), so that he is bound to complete the ruin of the capital. Ibrahim Effendy Hamdy is made tax-collector, and is oppressing the poor natives; he fears nobody, being protected by Chaker Pasha, whose son-in-law he is.

The poor fellaheen in the province of Guisa are in vain crying for help to the new Khedive, as their cruel Moudir Ahmed Aasfat is flogging them to death to make them pay the taxes they had already paid in the time of Ismaïl. This Moudir was a favourite of Khalil Aga, the Princess-mother's chief eunuch, and now he is protected by Kamal Bey, Tewfik's bosom friend.

Who is Aly Pasha Galib, actual Minister of War? He was an ancient Moudir of the province of Dakahlya. The ex-Khedive had a favourite Circassian slave. He one day was in a passion against her, and, in order to punish her, he gave her to the most cruel of his servants, of whose ferocity he had had many a proof. This was Aly Pasha Galib, whom the fellaheen surnamed the "Angel of Death." But a few months later Ismaïl remembered his rejected slave, who was then married to Aly Pasha Galib; he found her more attractive than ever, and kept her in his Royal harem. Aly Pasha Galib expressed to his Royal master his happiness to see his wife finding grace in his Khedive's eyes, and for this reason he rapidly rose from the grade of Kayem-Makam to the dignity of Pasha, and now (as it is the Khedive Ismaïl who really governs) he is called Minister of War.

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Such was the moral character, the integrity and reliable nature of the persons whom Prince Tewfik first selected to counsel and advise him, and to carry on the work of the State. No wonder that under these circumstances all the Arab newspapers, with but one exception, condemned the new Ministry with unprecedented unanimity. The correspondent of the *Journal des Débats*, writing from Cairo on the 11th of July, 1879, relates that the natives are "astonished that the new Sovereign has not yet recalled the old native Ministers, who were obliged to leave the country when the mixed Cabinet was upset, and several Arab journals almost daily devote long articles to this subject. Recent events have not changed Cherif Pasha; he is just the same as he was before. An Arab journalist, the editor of the *Times* and the *Pyramids*, has lately been publishing articles, in which he praises France and England, and advises the natives to respect Europe. Irritated by these remarks, the heads of the party which induced Ismaïl Pasha to revolt against the Powers turned to Cherif Pasha, who sent a despatch to the Governor of Alexandria requesting him to suppress the journals in question. But the English Consul went to the aid of the Arab editor, and compelled Cherif Pasha to withdraw his order. The natives cannot understand the *régime*, and the first enthusiasm caused by the fall of Ismaïl Pasha has somewhat subsided, though they trust that the Powers may soon modify a state of things which would become intolerable."

From other correspondents, however, we gather that the natives were not so surprised at the course of events; they never expected anything better from the son of Ismaïl Pasha. Almost immediately after the deposition of the Khedive one newspaper correspondent met an intimate friend, an old sheik who lived near Damietta, and at once inquired what he thought of the great event, feeling confident that from him, at least, he might expect a prompt and frank reply:—

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"He answered, however, by inquiring with the most soft and placid voice to what great event I alluded.

"'Why, to the departure of Ismaïl and the appointment of Tewfik!' I exclaimed.

"'Ho!' he rejoined, 'that is not a great event; it is not even a change, for whether it is the father and the son or the son and the father, there is no difference.'

"Another sheik now joined us, and I addressed the same question to him. He answered me in a purely Oriental style, by inquiring in the calmest manner:—

"'Where hast thou seen a dog give birth to a cat?'"

A secret society called Young Egypt was formed in Cairo, whose members were officers, students, and a few sheiks. The meetings were held once a week, and an account of them was sent to Abou Naddara, who published it regularly in his paper.

The following are some extracts from a translation of the one report given by Professor Samma, the editor of the Egyptian *Punch*:—

MEETING OF YOUNG EGYPT.

The members present were Abou-el-Shogaan, president; the secretary, the orator, the poet, the treasurer, and forty members.

PRESIDENT.—In the name of Allah, who delighteth in seeing His creatures free, I open our meeting,

. . . . . .

THE ORATOR.—The Almighty Lord hath given to man a heart to love his country, a strong arm to defend it, and a judgment to know good from evil. Our poor land was a prey to that cruel and bloodthirsty Ismaïl during sixteen long years; our brethren were thrown to the crocodiles of the Nile and the lands taken by the tyrant. Our wives and daughters were disgraced by his moudirs and officers, and our sons slain in unjust wars; they perished fighting not for their beloved fatherland, but for depriving their fellow-creatures of their liberty. Yet we murmured not, and that

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is not out of resignation to our fate, but we are mean and cowardly. The stranger saw our misery and his heart was touched with pity; he upset the tyrant and we rejoiced at the fall of our enemy; but our joy was of short duration—Tewfik was his successor. We witnessed this change without stirring. Woe unto us! Shame to the Egyptians!

. . . . . .

THE SECRETARY.—I learn from the letters we receive from Upper and Lower Egypt that the moudirs are exacting the payment of taxes already paid, saying, "What you have given to Ismaïl is lost." The fellaheen are refusing to give a single para (farthing). The collectors threaten them by the usual tortures and bastinadoes, but with all their threats they cannot get blood out of a stone. The fellah under Tewfik is not the fellah under Ismaïl: he begins to reflect, and to know his rights.

PRESIDENT.—We must run to his help.

THE ORATOR.—Our agents are there; they secretly read to the peasants the *Abou Naddara*, who, according to them, is the inspired son of Egypt. Abou Naddara tells them: "Your ruler is a tyrant; enjoy the fruit of your labour; the oppressor has no right to deprive you of it." And they follow their exiled brother's advice.

THE PRESIDENT.—The dismissed officers have presented a petition to the Minister of War, desiring him to pay their arrears, and to give them the vacant situations in the army at half the regular salary, as they and their families are starving to death.

A MEMBER.—It was I who was elected by my comrades to present the petition; he read it, and threw it at my face, saying, "Sikter, go away." We have to-day protested against him, as he has insulted the honour of the militia, and we demanded from the new Khedive his dismissal.

THE SECRETARY.—The Government will not even answer you.

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THE ORATOR.—Then we shall see what the officers will do.

THE POET.—Officers, generous sons of the Golden Nile, the Government of the stupid son of the fallen Pharaoh hath disgraced ye. Ye are treated like dogs. His haughty Minister told ye, "Go away." Awake, then, from your slumber, and show him that ye are men.

ALL THE MEMBERS.—He shall see it ere long. Our patience is at an end.

THE ORATOR.—Abou Naddara used to say that patience is the quality of the ass, but the son of man should never wait; he must work; to a resolute man nothing is difficult.

THE POET.—Yet man should reflect before he acts.

THE PRESIDENT.—Secrecy is the soul of everything. The walls have ears. Young Pharaoh's spies are everywhere. We should therefore be cautious and agree before we rise.

A MEMBER.—Tewfik has elected his bosom friends as chief officers in the army; but we hope to gain them to our cause.

THE PRESIDENT.—May Allah crown your undertaking with success!

ALL THE MEMBERS.—Amen!

THE PRESIDENT.—Now, brother secretary, what is your next news?

THE SECRETARY.—You know, dear friends, that I am employed at the Princess-mother's Daïra. Well, I was told by a young eunuch that a few days after the departure of Ismaïl about twenty white slaves of the harem were thrown into the Nile at night by the order of Ismaïl's wicked mother.

ALL THE MEMBERS.—Allah! Allah! Cruel and heartless woman!

THE SECRETARY.—The poor girls had committed no sin; they were innocent. Their only fault was that they had formerly belonged to the murdered Mouffetish, the ex-Minister of Finance. Now, they were falsely accused of

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having rejoiced at the fall of their master's assassin, Ismaïl. This was a crime to be punished by death. Thus the old dame condemned the unhappy creatures to be put in a sack, a heavy stone on their delicate breasts, and a dive in the Nile, on the waters of which they shall no more appear.

THE PRESIDENT.—My soul is seized with horror, and my heart is terrified by the account of such atrocities. O, Egyptians! How long will ye remain deaf to the cry of such victims?

THE SECRETARY.—In another meeting I shall read you two letters I have received from Zakazik and Minia, full of dreadful accounts. I shall not read them to-day, as I have already afflicted thy soul with unspeakable crimes.

THE POET.—My Muse, the Bride of the Nile, sheds bitter tears on the sufferings of our countrymen; you shall hear her lays at our next meeting.

THE PRESIDENT.—In the name of the eternal Creator, Who never sleepeth, but watches over His children and preserves them from evil, I close our meeting. Go in peace, dear friends.

ALL THE MEMBERS.—Hail, Young Egypt, hail!

Read in the light of the above information, we need not be surprised to hear that Prince Tewfik was not well received even by the cosmopolitan multitude of Alexandria, and that the telegraphic despatches describing the brilliancy of his reception were grossly exaggerated. On the Place Mehemet Ali, the attitude of the people was so marked, that even the infatuated Prince himself noticed it. Even the papers which energetically support the new *régime*, and notably *La Gazette des Tribunaux*, were compelled to admit that such was the case. The partisans of the new Khedive argued, however, that the hostile demonstration was not directed against him personally, but against the Ministers whom he has chosen to carry on the affairs of the State. Practically, this was a distinction without a difference. The Ministers

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in question were not imposed on Prince Tewfik. He was at perfect liberty to choose other Ministers. In fact, whatever pressure was brought to bear upon him, was directed precisely against the very men whom he has obstinately maintained in office. To hoot Cherif Pasha was practically the same as to hiss at Tewfik Pasha; and dullard as he may be, the new Khedive's anxious countenance clearly betrayed that he understood this to be the case.

Many small, as well as the more important incidents, helped to increase the early popularity of the new *régime;* and it is surprising how in so short a time so much evidence has been given to prove that no good will result from the change. Among these questions perhaps none were calculated to produce a more disastrous moral effect than the failure of the Nile Inundation Fund. If another example were wanting to prove that no combinations, whether financial or political, are likely to succeed permanently in Egypt, under a mannikin Khedive and a pair of controllers who may fall out at any moment, we would point to the vicissitudes experienced by the Committee formed to relieve the distress arising from the Nile inundations.

It will be remembered that at the beginning of the Nubar, Wilson, and De Blignières Ministry a great deal was said and written concerning the disasters caused by these floods. Among the Khedive's friends efforts were made to attribute the blame to the European Cabinet, and particularly to M. de Blignières, who, as Minister of Public Works, should have foreseen and prevented the accident. These accusations served to divert public attention from certain disastrous orders issued from the Palace of Abdin, and which caused the bursting of the dykes and the reservoirs. However this may be, the European colony expressed deep sympathy with the fellaheen who were ruined by disasters. A subscription was opened under the patronage of the European Ministry, and large sums collected.

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The difficulties first arose when the Committee proceeded to distribute the money collected. The European Ministry could not give any assistance or information as to persons who should be relieved.

As for the "National" Ministry, it sought to step in the place of the Committee. Under the pretext that the Khedive would not tolerate any foreign interference with his subjects, they claimed all the money themselves, without offering any guarantee as to its proper distribution.

On the advent of Prince Tewfik even greater difficulties were placed in the way of this charity, and they have at last resulted in the issuing of the following proclamation :—

SUBSCRIPTION COMMITTEE IN FAVOUR OF THE VICTIMS OF THE NILE INUNDATIONS.

"In consequence of insurmountable difficulties, the Committee has not been able to distribute the sums subscribed in favour of those who have suffered from the Nile inundations. At a meeting held this day it was therefore decided that the funds subscribed should be placed at the disposal of the subscribers.

The subscribers are invited to call at the offices of Messrs. Sinadino Ralli and Co., so as to withdraw, in exchange of a simple receipt, the sums they have paid into the fund.

For the Committee,

E. JACQUIN, Secretary.

From this miserable collapse of a movement inspired by the purest charity, we may conclude that, so long as the present authorities remain in power in Egypt, everything will be done to prevent Europeans opening personal relations with the native population. And this, in spite of the controllers, it is fully resolved by those who surround Tewfik, and who are inspired by Ismaïl, that Western Europe shall not know how the native Egyptian lives, and these charitable gifts might have called forth the confidence of the natives. They would then perhaps have disclosed facts which would have awakened the indignation of all Europe, and render the position of the Khedive still more untenable.

In all this the reader will not fail to perceive unmistak-

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able indications of Ismaïl's sons to follow in the footsteps of his father. His plan is to play one great Power against the other. Seeing that England and France have protested against the revocation of the firman of 1873, Tewfik Pasha plays into their hands. He who declines to be directed by European Ministers, and tells the Western Powers that they must not interfere with his Pashas, endeavours to soothe them by an energetic protest addressed to the Porte in support of the Anglo-French policy of an Egypt all but independent of Turkey.

It is reported that Ismaïl, lounging at Naples on the deck of his yacht, remarked of Tewfik—*fara da se.* Ismaïl is on the look-out, and knows well what his son is doing, and is likely to do. The lessons of the father have been carefully learned. In Ismaïl's time the plan was to lay France and England by the ears. There was, then, no question about the Suzerain and his influence. The goodwill and compliance of the Porte meant simply so much money. It was a matter of piasters—not of policy. So that while France could be played against England, and the Sultan and his satellites could be bought, Egypt could be bled into the Khedival coffers without interference, or at any rate dangerous interference, from without.

The Porte naturally desires to remain under the arrangement of 1841, and to keep Egypt as a province of the Ottoman Empire; while England and France are endeavouring, it is said with the concurrence of Germany and Austria, to loosen the ties between the Suzerain and his vassal. The opportunity for the successful play of the qualities which belong to Ismaïl and his sons is superb. Of course, Tewfik is endeavouring to please the Powers by declaring at Stamboul that he cannot govern, unless he is made an independent Sovereign; while he is endeavouring to remain in favour with the Sultan, by refusing to receive European Ministers. The Pashas whom Ismaïl left behind him are deserving well of their old master; and Tewfik, in spite of all appearances to the contrary, is a dutiful son.

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CHAPTER XIII.

RURAL PROPERTY IN EGYPT.

WE take the following from the report by M. L. P. Mouillard, dated Cairo, December 22nd, 1879. It is important at this moment when large land investments are being made in the Valley of the Nile:—

The attention of capitalists has been drawn more and more towards Egypt, and especially so far as rural property is concerned.

The rural establishments which have been only recently founded attract great attention both by reason of their number and their importance.

This movement is due to a multiplicity of causes. Europeans seem to have determined to lend their capital to the land of this country, for they understand that it might be made to produce far more than the Egyptians have been able to derive by their cultivation. The European is conscious of his superior administrative ability, and if he does not possess special knowledge of the local requirements of Egyptian agriculture he counts on his superior activity and larger capital to compensate this deficiency.

The charms of Egyptian rural life lack also their power of attraction. Life is easy, and liberty—the desideratum of all humanity—is extensive. Nor is it necessary to struggle, as in almost all other countries of this latitude against the the dreaded malarial fevers, which destroy the body and

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weaken the mind. On this point the country is most remarkable, for if fever be caught as the land is ploughed, the prosperity of agriculture must be greatly endangered.

Those who have seen the procession of *Saint Quinine* at Rovigo will realise the importance of this sanitary question in matters relating to the culture of land. The village of Rovigo has had its population renewed four times in four years. The celebrated Bonfarick was for fifteen years merely a tomb for its inhabitants. In Egypt, on the contrary, there is nothing to fear with respect to public health. The land can be cultivated, drained, turned over without fearing that this will give rise to dangerous emanations. So long as care is taken not to loiter too long by the side of ditches, and never to go out in the morning without having first breakfasted, especially in autumn; and, further, if care is taken to avoid a sunstroke, the inhabitant of the rural districts is sure to live a long time.

The European who has purchased a property has two means, each greatly differing from the other, of benefiting by his land.

The first method consists simply of appointing an administrator. This system does not require any special knowledge, but simply careful watching and a little common sense. It will produce a known income, varied only by the delapidations which it is almost impossible to avoid. As the results attained by this system are very small, it must be extended over a very large area to be worth undertaking. It is in any case a difficult ungrateful undertaking, resulting in the production of deficits on all estimates, and may be considered as the *régime* of false calculations.

The second method is reasonable, well-informed, rational cultivation, extended over a smaller area, and which produces in proportion far better revenues. It also supplies much enjoyment to the individual cultivator; he can reckon with greater security on a certain income, and is better able to resist the atmospheric vicissitudes; finally, it is a work

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of which the cultivator is proud. But for this he must possess the necessary knowledge and capacity, theoretical instruction, and, above all, experience.

It is not possible to acquire this science of sciences, which is called agriculture, without adding to necessarily extensive knowledge, many years of practical experience. It is necessary to have sown a great deal, to have reaped a number of harvests, so as to be able to take a prompt and just decision. It is very certain that if the European is to be but a clumsy counterpart of the *mamour*, he will find it difficult to gain a position in this country. He will be the owner of the land, but the very humble servant of the manager of his property who is the real master. If the owner insists on administrating himself he must possess a fortune to pay for his experience, and it will be a lengthy business. The best and cheapest method would be to study cultivation in a similar country where agriculture is more advanced than in Egypt.

The European must, as a matter of fact, obtain a larger income from the land than that produced by the ordinary Egyptian system of culture. For when all is told, what would remain to the honest-motive manager when once he has paid per feddan the land-tax now imposed. Thus we have—

The Karragi Tax, per feddan, P.T....	140
The Irritation Tax „	14 20
The Stamp	1
The Thrashing Tax.....	30

Then there is the tax on the house if, as is usually the case, it is situated in the village.

Further, we have the Personal Tax.

Per man, P.T.	30 to 45
Per Slave	15
On Salt	9 5

Again, there are the accidental taxes, the Monkabalah, the costs of conversion, the works against inundations. All

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these are quite sufficient to show that nothing remains worth mentioning for the native cultivator. But if he gets nothing the European will be in still greater distress, for his requirements are more difficult to satisfy, though, as a foreigner, he is spared from the payment of the greater part of the taxes that weigh so heavily on the natives. He will, therefore, be compelled, if he intends remaining on the soil, to initiate some other method of cultivation, spread over a smaller area and bringing in a larger income in proportion. More careful cultivation is therefore necessary.

The complete ignorance of agricultural science will for long remain the principal stumbling-block to progress in Egypt, for it must now be admitted that, be it only to meet the increased burdens weighing on the country, agriculture must be developed beyond the mere knowledge of ancient traditions.

What has occurred in all the great colonies, in Australia, the Far West, Algeria, &c., is now finding its counterpart in Egypt. There is an epidemic in favour of pasture land, and this is a dangerous malady which has caused, and will still cause, many losses. Indeed, it is not difficult to understand that the love of country and life in the open fields is not in itself sufficient to give rise to profits. Certainly the life of a landowner has many pleasant phases, but if illness should afflict his home, if the profits do not answer to his expectations, his illusions are soon dispelled. Regrets follow in rapid succession, then he longs for his home, for Europe, and finally he abandons everything, and hastens from the country. From this point of view the small holdings are the worst. The work is most painful, the profits and the well being less. What suits best all men who are born peasants is what may be termed industrial cultivation, that is to say, the cultivation of one single product. In this case the cultivator enjoys much leisure, the profits are considerable, but this form of culture is

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difficult; it can only be undertaken by masters in the art, and that is not everyone.

Under there circumstances it is a matter of some difficulty to decide what can be done, and we might reply like the practitioner from whom an attempt was made to obtain a little gratuitous advice, and say "consult a good doctor." The case is a similar one. To cultivate successfully it is necessary to secure the services of a good cultivator, unless we possess sufficient intuitive sense to replace knowledge and experience. No one would call upon a mathematician to milk cows, a simple dairyman would do the work far better; in the same manner a good agriculturist will do the work far better than a man who is merely a clever business man. In a word, for good work we must have good workmen, for a good harvest we must have good seed, and so on for all the operations.

Therefore, we must secure the services of a good agriculturist, a matter which is easier said than done, for they are not very numerous. An European agriculturist will be at least three years before he will dare to act on his own responsibility, particularly if he is working for himself. There is but one quarter where the right man might be recruited—that is Algeria. The two climates are very much alike. As for the land, the black alluvial soil, free from stones, the same geological formation may be found in the plains of Chélif, of Abra, of Maktah, and of Mitidja, &c. It is in these agricultural centres that the most able and competent inhabitants will be found, and they will have the least to learn when they come to cultivate the lands of Egypt, for there are a number of facts, customs, and practices which are completely ignored by European cultivators, and, indeed which they could not possibly have learnt. A farmer who is considered very competent in his own country is treated as an ignoramus in Egypt; he is even more than this, he is a dangerous practitioner. The example of the pupils educated at Grignon, &c., and who have

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established themselves in Algeria, is a good instance in point. They acted in a most foolish manner. They soon found out the errors of their ways, and rapidly altered their system of cultivation, but not in time to prevent heavy losses. It took some years before they were able to harmonise their European learning with the requirements of the country. Similar and numerous examples might be mentioned as occurring in Egypt, but we will not specify these cases.

It is evident that to farm a country it is first necessary to study its characteristics, to have mastered the peculiarities of its climate, to have learnt to appreciate and understand the wild nature of the atmosphere, which necessitates operations that are unknown in the more temperate latitudes. It is not necessary to water the corn in Europe. Land is not manured with water in Europe. Trees grow in Egypt that are unknown in the North, and those that prosper in Europe would die in Egypt. Can a single oak or chestnut tree be found in the valley of the Nile? It would be impossible to grow a poplar tree under the sun of Egypt; potatoes and oats are unequally unattainable.

Let us return to Algeria, where we must borrow the experience we are wanting. We must now reckon with this new country, for it has just proclaimed its existence in a manner sufficiently forcible to deserve public recognition. Its exportations exceed £12,000,000 per annum in corn alone, and this supply will help very greatly to fill up the deficiency created by the recent failure of the crops in France. Evidently a centre of production is being created in Algeria of incontestable value.

The Algerian colonists belong to all nationalities. The Spaniards are in the majority, and they have brought with them their methods of cultivating mountainous districts of the North, and the peculiar processes in vogue in the Southern provinces of Andalusia and Mursia. Others have come to show how the marsh lands can be cultivated, and

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in this speciality they are without rivals—they have no competition to fear. We have, therefore, in Spain a single nation with three distinct methods of cultivation.

The Italians are not so numerous. They have not been so active, their garlic and their peculiar method of growing the vine are the principal innovations they have brought. After the Italians we have the French from the southern districts, the Camargne, then those of the centre and the north, together with the natives of Alsatia, Lorraine, the Germans, the English, and even some Americans from the Southern States of the Union, who came over after the Secession War.

From the various methods which these different people have introduced, valuable experience may be derived, and the knowledge acquired of what is really best suited to the soil. In Algeria an exhibition is an international exhibition in the true sense of the word, and is far more useful than similar exhibitions held in the large towns of Europe. Thus each implement is carefully selected. Naturally, each cultivator arrived with the cart, the plough, and the other implements he was accustomed to use in his own country. He has been able to compare these tools, which he thought mere perfection itself, with the implements made in other countries. All these different implements employed in the same soil constitute an experimental competition which has not failed to demonstrate which was really the best.

In Egypt this instructive experience and these experiments are wanting, and some method of instruction must be instituted. Polytechnic schools, schools for learning languages, or the law, or the military sciences, exist, but there is no school to teach what is really the national industry of the country. Not only is an agricultural school necessary, but a farm for experimental demonstrations should be attached to this institution. At the same time in making these remarks we are fully aware that we are only repeating what is obvious to everyone, that to know it is

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necessary to learn; but if the Egyptians prefer to be taught by the force of competition, it is their own business. We must recognise that it is high time that something more serious shouid be attempted. The acclimitisation which some persons who have no real knowledge of farming have been attempting are not sufficient. The love they have displayed for the cultivation of gardens is estimable, but it will not save the country. It is time to act energetically with respect to all matters that relate to the progress of the rural districts throughout Egypt.

When we study the history of this country, we are led to recognise that the creation of the international tribunals has been, since the reorganisation of the country by Mehemet Ali, the greatest reform initiated by his successors; it was a measure the importance of which even its authors did not fully appreciate. To appreciate wisely the value of this measure, it must be contemplated from a lofty standpoint, so as to be able to overlook those accessories, such as religions, races, nationalities, &c., which mar the general effect, otherwise we shall not be able to understand at a glance this great evolution of a nation; for, assuredly, this reform has been a real evolution. The institution of tribunals dispensing equal justice to all, where slaves are treated as free men; where privileges are not recognised; where all are equal before the law, from the Sovereign down to the poor negro, is indeed a mighty change.

Previous to this act of emancipation, for we cannot call it by any other name, Egypt was certainly a country imbued with a desire for law. From the West, each post brought eloquent appeals to the love of liberty, which stirred the youth of the country. The country pretended to follow this movement, for it was impossible to resist the aspirations which open out the bright vista of all the marvels to be accomplished by progress. But in spite of the polish thus acquired, the laws remained, in their foundation, mere barbaric and arbitrary enactments.

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This, however, was all destroyed by the Decree of 1875. Those who regret the laws that belong to another age must resign themselves to the inevitable, for it is impossible to believe that in these days a nation can exclude foreigners. Even China, in spite of its size, its central empire of 600,000,000 inhabitants, who represent precisely half of the human species, is now throwing its doors open, just as other nations have done. Its gates have been broken in; its great wall, built to separate it from the impure West, has crumbled to the ground. The wind of progress, of evolution, is rising, even in the extreme East. Japan is progressing with giant strides; India, the contemplative nation, is awakening from its lethargy that has lasted five thousand years, and is now thinking, acting, and preparing itself to surprise the world.

Egypt alone remains immovable. She might have slept on under her sublime sun till awakened some day by a cruel shock, but for this one simple administrative measure, which has so profoundly stirred the country, has conferred autonomy and liberty on its inhabitants, and will, we trust, soon bring prosperity in its wake.

One of the most striking of these decrees has been the rendering of rural property accessible to all. Before the institution of the tribunals of the Reform, no one, excepting the natives, possessed any land; now a large part of the soil is owned by Europeans. The rights of property are sufficiently well established to have attracted foreign capital. It is only necessary to reform the Ochouri property for Egypt to become possessed of truly democratic land laws.

The same cannot be said of all Mussulman countries. France does not in all cases enjoy similar conditions. In Algeria the French have had to contend against a *régime* established by the tribes, and that style of property has greatly contributed to check the progress of the colony. It would be in vain to create an internal sea, even were it

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possible to suppress the sirocco, which is the Khamsine of the country, or to water the province of Oran with benign rain, still, so long as the tribes were allowed to retain their present system of property nothing of a definitive character could be established. We shall see, at an early date, whether the Commission of Deputies appointed to visit Algeria will have understood that Algeria could be regenerated by one single phrase, the suppression of the Arab tribes.

In Egypt nothing similar exists. Every proprietor who pays his taxes is thoroughly master of his soil. There is only the practice of compulsory labour remaining to interfere with his liberty, and this is an altogether exceptional measure. It is unfortunately a compulsory law. It is a labour of public utility, rendered necessary for public defence and commanded by the father of the nation, by the Nile. This great river suddenly decrees the erection of huge public works which necessitate the agglomeration of large bands of workers. But these works directed with intelligence are not a source of ruin to the country. Also, it is difficult to alter what is thoroughly within keeping with the temper of the country.

But in examining with more care the attraction exercised on foreign capital by the land of Egypt, another and far more powerful cause will soon be discoverable to explain the numerous acquisitions which have and will be made. It is simply the cheapness of the soil that has loosened the purse-strings of foreign capitalists.

How can we explain the small value set upon the land? It has been very generally remarked that in order to ensure the prosperity of agriculture, it is necessary that the tax levied on rural properity should be collected in a regular and equitable manner. It is probably the want of any such security which accounts for the desire of the small Egyptian proprietor to sell his field on which he cannot live, because he is unable to battle against the exigencies of the tax-collector, and then he groups himself round the European

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proprietor, in the hope that the latter will be able to defend his rights. It is easy to understand that so long as the tax collectors continue their present practice of gathering taxes without giving any acknowledgment for the sums received, they will show favour towards the European land-owner, for he, in any case, will keep his books in order, will pay for his tenants, insist on receiving a receipt, so as to establish his rights in case of error. If to these considerations we add the excessive nature of the taxations as compared to the product of the soil, we must conclude that the land is sold all the more readily, as the position of its cultivator is most precarious. The Egyptian Government ought to see that their system of levying taxes, the extortions which it facilitates, will simply tend to make the land of Egypt pass from the hands of the Egyptians to those of European colonists.

We are next led to inquire whether this admixture of the European element as landowners is really injurious. It is certain that if the number of Europeans is limited, the native element can only benefit by the example set them. It might, however, happen that by dint of over-taxation and extortions the larger portion of the property may pass out of the hands of the natives, and then grave complications would arise. But the remedy would be easy. The illegal gathering of taxes should be abolished; measures taken to enforce the well-being of the cultivator; the Karragi and the Ochouri should be replaced by an evenly-distributed tax on landed property, based on an exact measuration of the land, and, above all, on an *honest* estimate of its value.

Whatever may be the solution of the somewhat complicated difficulties in which we seem to be involved, there nevertheless remains a vague dread in the minds of most persons. This sentiment may be explained by the question continually asked as to what is the actual position of the country, and where is it all likely to end.

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Certainly, and without contest, in the ultimate improvement of the entire nation. There will be, as in all great perturbation, great changes, many fortunes overthrown, and property will change owners many times, but the total general result will be an increase of the public fortune.

In spite of all this affirmation, the present seems to many persons a perfect expression of chaos, and the future the wildest conception of the unknown.

Let us, however, throw off these fears. Let us only, side by side, struggle for the well-being of the country. The Egyptian will teach the European the results of the observations he has made for many centuries, and which have been transmitted to him by his ancestors. The European will bring his skilled method of labour to bear, his inventions, his ingenuity. And though the country is not large (a square of $35\frac{1}{2}$ leagues of coast), it would be easy to double this when necessary. To increase the country, we have the lakes, the banks of the rivers, and, if needs be, the desert, where as much land can be taken as the Nile is capable of watering.

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CHAPTER XIV.

WILD FINANCE.

ON the 1st of January, 1870, Government Bills were discounted at 14 per cent. The distress of the Minister increased the hesitation of money lenders. In his speech to the Chamber of Delegates the Khedive observed this year the greatest reserve, referring them to the various Ministries. Perhaps there was less to say that might produce a favourable impression. Great sacrifices had to be made to meet the Coupon of the 1864 Loan, particularly as money had to be borrowed for three months. Had the Government fallen so low as to borrow money for three months? The Minister of Finance now resorted to an extreme measure: he sold out, on advantageous terms, the delivery to be made in a month's time, but the payment to be raised at once. Having thus secured a little ready cash, he commissioned various European houses to buy up Egyptian Bonds, giving directions that purchases should be made wherever he felt the keenest pressure. Many persons saw clearly what was the meaning of this measure, but, nevertheless, the rate of discount fell from 14 to 9 per cent.

Profiting by this more favourable state of affairs, the Khedive opened negotiations with Messrs. Bishoffoheim, Goldschmidt, and Co., which resulted in the creation

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of the Franco-Egyptian bank with a capital of £1,000,000, and entrusted them with the emission of a loan on the Daïra. But this emission was treated with suspicion, particularly as at that time a number of Government bills were beginning to find their way back to the market, to the disadvantage of the rate of discount. The terms of the new loan were Bonds to the extent of £7,142,860, bearing 7 per cent. interest, in exchange for £5,000,000 cash. This was equivalent to an annual burden of £668,960, or to paying 13.38 per cent. for the money obtained. This was guaranteed by all the disposable revenue on the Khedive's domains, and by a special mortgage on 150,000 feddans of sugarcane land. The Porte protested against this transaction, though the professed object of the loan was that of building railways and developing agriculture. But no one believed in these promises, and the number of subscribers fell very much below what had been anticipated. During seven years of profound peace, the Khedive had borrowed £33,000,000, and though the Budget professed to give a surplus, public confidence was destroyed, and no one believed that true accounts were published. Nevertheless, but for the wild extravagances of the Prince, even at this date the position of affairs might have been saved. Instead, however, of studying the best methods of economising, he preferred to devote himself to the research of extraordinary means of raising money.

All further schemes for obtaining large sums had now to be abjured. The war between France and Germany rendered all thoughts of new loans impracticable, and the Minister of Finance had to fall back on the old expedient of augmenting the taxes. Of course complications soon arose, and it was while the war rendered access to the European money markets impossible, that the old idea of the Monkabalah was revived. This was a scheme calling on landowners to pay for six years double the land

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tax. With the sum thus raised the bondholders were to be paid off, the country to be freed from the burden of taxation imposed so as to pay the interest on these Bonds, and then so much money being no longer required by the State, the landowners would be in a great measure exempted from taxation. But already the Fellahs were over burdened with taxation, and the idea of doubling what was extorted with so much difficulty, and at the cost of so much suffering, was in itself preposterous. Nevertheless, the Khedive approved the plan, and the law, consisting of forty-five articles, was drawn up in such a manner as to impress the reader with its *bonâ-fide* character. Article forty-four, for instance, stipulated that the Bonds bought back with the money should be burnt in the presence of the Privy Council. The law was first enforced in August, 1871, and had brought in £5,000,000 by the end of December. This was a good beginning. But the payments had been made principally by Pashas and large proprietors, who were anxious to ingratiate themselves at Court.

In spite of the Monkabalah, the Government contrived to borrow from September, 1871, to July, 1872, a sum of £12,000,000, by issuing bills, &c. This sum, raised by means of Bonds and bills on the Malieh, had been obtained with comparative facility, because the money-lenders now relied on the Government contracting a large loan, by which the debt would be converted or modified, and all smaller liabilities covered.

At the beginning of 1873 Egyptian finances were in a most re-assuring condition. The coffers of the Malieh were well supplied with money, and the rate of discount for Government bills had fallen to 9 per cent. In fact, the demand for Government paper was so great then that a loan of a million sterling on Monkabalah bills passed unperceived, and in a week this operation was increased to £2,100,000, without alarming the public. All this pros-

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perity rested on the anticipation of a great loan, but the liabilities which this loan was destined to meet were so enormous, that it became a matter of great difficulty as to how the truth was to be told or avoided. The Khedive then bethought himself of convoking the Assembly of Delegates. Nothing could be more fantastic than the account which was rendered to these supposed representatives of the people. The Floating Debt, it is true, was estimated of £25,500,000, but the Government had the effrontery to pretend that the bulk of the money had been spent on public works. The sport and the subsequent discussion was a pure farce. The delegates only met six times. The real fact was that the Floating Debt had been augmented from £11,000,000 to £25,5000,000, and this latter figure included £10,000,000 bills given by the Monkabalah committee, which should have been employed not to increase but to reduce the national liabilities.

In spite of all these dishonest dealings, the Ministry was dreaming of a gigantic loan. Various sums were mentioned, but it was more difficult to suggest suitable guarantees. At last the news arrived by telegram that arrangements had been made in London and Paris for a loan of £25,000,000, of which £15,000,000 were to be paid cash. Then arose a fever of speculation. Everyone showed himself desirous to discount Government Bonds. The warnings of the past were of no avail. The most complete confidence was reposed in the accuracy of the telegram received. But soon sinister rumours began to float about, and which assumed the aspect of a panic when in May it was known that the Khedive had borrowed at Constantinople £3,000,000. Was this to be the end of the great Loan? The liabilities of the year amounted in all to somethlng like £18,000,000. The Khedive did not intend to supply this money for public purposes. His object was to visit Constantinople and to bribe the authorities to assent to his ulterior plans, and he ultimately found in Messieurs Oppenheim and

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consorts the means of contracting a loan amounting nominally to £32,000,000, repayable in 30 years. Several of the guarantees given for this loan, notably the personal tax and the indirect tax, did not exist, or had ceased to figure on the Budget. The income on salt also had been previously pledged in respect to the 1868 Loan. In a word, the Government played fast and loose with the credulity and trust of the public. The position, so far as the finances of the future were concerned, suggested a probable annual deficit of £4,000,000. Nevertheless, there were many persons who had so constantly lauded the ability of the Khedive and his uprightness in business matters, that they ended in partially believing the falsehoods they themselves propogated. In the matter of advertising, the agents of the Egyptian Government displayed the utmost skill.

There still remained a dark spot on the horizon. The public did not know what would be the opinion of the Sultan with respect to the new loan. It was then that the Khedive was able to bring forward the result of his recent visit to Constantinople. On the 22nd July, he published the Firman obtained from the Sultan, which authorised the Khedive to make laws aud regulations for the internal administration of the country, to conclude custom convention and commercial treaties with foreign Powers, to negotiate loans, to augment or reduce the army, to construct war ships and ironclads, and, in a word, to manage the financial and military matters of Egypt. Thus the prospect of a conflict between Egypt and the Porte was set aside, and public anxiety on this head was appeased. What these concessions cost the Khedive it is impossible to say, but they were purchased at a fabulous price.

In spite of all these matters, and of every effort, the loan was a failure. Of the £15,000,000 which were to have been paid cash, only £12,250,000 could be obtained. The consequences to the Government were most disastrous. It had placed implicit faith in the contractors, and being

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confident in their success had disclosed its financial situation, and made many revelations which should have remained concealed had it known that the money was not subscribed. The future was not brilliant. All idea of extinguishing the Floating Debt had to be abandoned. The cotton crop would help to some extent, and with the money of the loan, such as it was, the more immediate liabilities could be met; but that was only useful inasmuch as it adjourned the crisis it could not suffice to clear up the situation.

Public suspicion was now thoroughly awakened. Fear was entertained, and when the Budget of 1873-4 was published, details and explanations were demanded on all sides, and confidence was no longer manifested as on former occasions. Cash became more and more scarce, the rate of discount rose, and in its distress the Government had to effect sales of cotton and corn, and even then the Government had to borrow money privately at 20 per cent. interest. It was in the midst of this gloom, depression and disappointment, that the year 1873 was brought to a close.

The 1st of January, 1874, was heralded by an appeal to the bondholders to pay at once four per cent. of their shares. This unexpected request caused a fall in Egyptian Stock, and on the 10th of the same month the committee which had been appointed to watch over the interests of the loan was dissolved. To add to the unfortunate impression, the news arrived that some Turkish Government bills, payable in London, had been dishonoured on the 13th of January. Though Egyptian finances were not connected with those of Turkey, the public, nevertheless, instituted certain comparisons, which were not favourable. The example might become contagious, particularly as it was the larger of the two Powers which had taken the lead in the repudiation of its own bills. In any case, the Khedive was, from the very first, impressed by this fatal

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example, and from that very moment began to take precautions, and disposed of his private property in such a manner as to save it in the event of a national bankruptcy. He only kept in his own name the sugar plantations which were mortgaged for the Loan of 1870, and a few thousand feddans of land. As for his other property, lands, houses, palaces, &c., he had them settled on his wives and children, and, in fact, created the celebrated family Daïra, of which so much has been said. For fully two months, the Cadi of Alexandria, and a whole army of lawyers, were employed to legalise these transfers of property.

Various new plans were drawn up for raising money. There was one magnificent scheme for creating various canals, but no capitalist could be found to support it. Others suggested the sale of the Sacred Lands, but the fanaticism of the people would have rendered such a measure dangerous. The only scheme that succeeded was the sale of bills for £1,000,000, at 21 per cent interest, to be covered by corn and beans at harvest time. The shares in the last loan had now fallen to 61. On all sides reigned the blackest despair, and the day of complete ruin was supposed to be at hand. But in the midst of this darkness the Khedive conceived a brilliant idea.

There is in Egypt an institution, semi-religious and semi-civil, known as the Ministry of the Rouznameh. It is a sort of insurance office or annuity bank. The administrators can do what they choose with the money paid into this institution, so long as they pay the agreed annuity to the investor. Thereupon it was decided that through this institution £5,000,000 should be borrowed. The idea was successful, if dishonest; money poured in, and all the other Government securities benefited this newly-discovered resource. The moral effect was also great, for everyone had imagined that the Government was entirely at the end of its resources. Once more people began to believe in the old saying that "so long as the Nile runs, Egypt will

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pay her debts." The summer passed without any mishap, and the shares of the loan rose, and on the 26th of September had actually attained the figure of 77½.

On the 1st of October money again became scarce. In Europe, however, money was cheap, and capitalists had some difficulty in investing their money. Egypt benefited consequently from this state of affairs.

At the beginning of 1875, the Minister of Finance found that, instead of hunting on all sides for money, money was actually offered to him. Once more the bills of the Malieh were discounted for 9½ and 9 per cent. Yet in the midst of this prosperity there were signs of coming distress. For instance, a retrospect of the Budget of 1873 was published, which was not encouraging. The position was thus:—

Budget, published in April, 1873.

Receipts	£6,962,315
Expenses	£6,313,360
Surplus	£648,955

It appeared, however, that the Budget for 1873 really amounted to—

Receipts	£9,911,965
Expenses	£8,815,635
Surplus	£1,096,330

There was an increase both of receipts and of expenditure amounting to one-third more than had been anticipated. Then, though the receipts of the next year (1874) reached £10,542,405, there was a surplus of only £15,980. All this reads like very loose financing. That there should be a sudden increase in the expenditure can be easily understood, but all the enormous increase in the receipts looked very suspicious. The small investors and speculators could hardly be expected, however, to sift all these matters thoroughly, while the larger speculators and the loan contractors made so much money, enriched themselves so easily with other people's money, that it was not to be

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expected they would denounce the bridge that bore them to fortune.

In February, nominally through the Anglo-Egyptian Bank, but in reality with the assistance of the Credit Foncier of France, the Government contrived to obtain £5,000,000, and a subsequent advance of £3,000.000. The news of these two affairs produced a bad impression in Europe, and more especially in London. More serious clouds soon appeared on the horizon. Disturbances broke out in Montenegro and Herzegovina. The finances of the Turkish Empire were soon in a deplorable condition. The rate of discount rose at Berlin and Frankfort; finally, on the 7th of October, the news arrived that the Porte, on the following 1st of January, would only offer half cash and half shares. At first this was disbelieved; then a panic ensued. The Five per Cent. Turkish Bonds fell to 24⅓, and the Egyptian Stock followed suit. Alone the Khedive faced the storm with some show of confidence. He argued that as the panic had come from London, England should find the remedy.

The English Press was first to take up the matter; then the services of Mr. Fowler, the consulting engineer of the Government, were brought into requisition. He demonstrated the fertility of the resources which Egypt enjoyed. Sir Samuel Baker, on his side, argued that no comparison could be instituted between Egypt and Turkey. Neither Mr. Fowler or Sir Samuel Baker treated the question really at issue, but their assertions were useful in raising the general credit of the country. According to Messieurs A. Dervieu and Co. the various Government loans and the Daïra loans amounted, on the 1st of January, 1877, to £60,531,360, and required for interest, &c., £6,183,134 annually. The Floating Debt had been reduced by recent operations to £16,500,000. Adding £2,500,000 for this, we find that the debts of Egypt cost the country in all £8,683,134 annually, and that if we estimate the receipts

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at £12,000,000 there would only remain £3,400,000 for the services of the country and for the requirements of the Government!

While these figures were discussed on all sides, the news from Europe became more and more threatening. An unfavourable interview had taken place between the Sultan and General Ignatieff. Mr. D'Israeli had manifested grave anxiety, the payments of the November coupons were considered to be in danger, and finally the Mouffetish himself lost heart. Wearied by the continual struggle, he folded his arms and exclaimed: "What is written, is written." One of his colleagues of the Council had questioned him closely, and discovered the despondency in which he was plunged. Impressed by this fact, the Minister hastened to the Khedive, disclosed the state of affairs, and in a moment of surprise and imprudence, Ismaïl Pasha cried: "Well, then, we shall do like the Sultan!" Then the suggestion was first made that instead of waiting for bankruptcy, which would bring about the interference of European Powers, it would be wiser to invite the latter to establish a control before the final catastrophe had taken place. By such means the worst consequences might be avoided, and a part, at least, of the responsibilities thrown on others. Towards the 10th of November, it was already known that the Khedive had solicited the English Government for the assistance of one of its Treasury clerks, and this originated Mr. Cave's mission. The crisis was also by these means adjourned for five months, and this gave time to many persons to hedge out of their difficulties. To allow time for Mr. Cave's mission to bear fruit, strenuous efforts were made to meet all liabilities falling due on the 1st of December, and the Government sought to borrow money at 15 per cent., with the 176,000 shares in the Suez Canal which it possessed. But this did not succeed, some other efforts were made, but in the midst of these negotiations

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the startling news arrived that the English Government was prepared to purchase the Canal shares, and pay £4,000,000 at once for their possession. The political significance of such an offer was transparent to all, and it was felt that in this purchase the future of Egypt and Turkey would be involved. The offer naturally caused considerable criticism at Vienna, Berlin, St. Petersburg, and Paris.

Financially the event proved most fortunate. The dreaded date of the 1st December could now be faced with equanimity. It also suggested the hope that the financial help England had offered would not end in this one transaction. The 1873 Bonds rose in a short time from 54 to 72! The Floating Debt and the Government Bills all benefited.

Though the difficulties of the 1st of December had thus been overcome, the year 1876 began under unfavourable auspices. The public began to perceive that the Khedive was perplexed by contradictory councils. A rivalry between English and French influence was felt more and more keenly. It was difficult to see how a common understanding could be established. The wildest rumours were circulated concerning the great efforts England and France were making to outbid each other. The French were for the creation of a National Egyptian Bank, which was to receive the income of Egypt, and pay all interest on the debt side. Three European commissioners, an Englishman, a Frenchman, and an Italian, were to watch over these operations. But fear, and fear only, could have led the Khedive to sanction a scheme which would place the control of the resources of the country in other hands than his own; and the state of affairs was not yet sufficiently desperate for him to assent to such a surrender. Also the guarantees offered for the money to be provided on the creation of the new National Bank were utterly worthless, and while the matter was pending, Mr. Cave left Egypt,

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without any solution having been found for a state of affairs which was becoming worse every day.

March was now approaching, when £1,282,828 would have to be paid for the coupon. Then was instituted what was called the *bon blancs* paper. In exchange for, let us say, £100,000, at 20 per cent. interest, bills on the Malieh, to the extent of £200,000, £300,000, and even £400,000, were given as guarantee. Many persons could not resist so tempting an offer; but the effect was to reduce to a disastrous extent the value of what may be described as the real bills. It was by this stratagem that the March liabilities were met.

On the 21st of March, Nubar Pasha started for Europe, and at the same time M. Villet, the French agent, arrived in Egypt. The Khedive was now engrossed in a scheme for creating a sinking fund to be placed under European controllers, but all seemed to be confusion. The English influence did not suggest any remedy, and yet it impeded the progress of the French plans. But the anxiety was increased infinitely when it was announced that Mr. Cave's report would not be published. The 1873 Loan fell at once from 63 to 51. The Khedive, on his side, had been intriguing on all sides, pursuing with remarkable perspicacity, his idea of escaping European control, and yet of uniting all the debts of the country under one general head. He felt that it would be easier to manage matters if he had to deal with but one creditor. In the meanwhile March drew near, and with it the impossibility of meeting the Government liabilities. The Khedive then resolved to appeal to France and England in the humblest tone, beseeching, begging for help. From England he received a refusal which in its terms was barely polite; but in France the matter was viewed differently. M. Decazes convoked a Cabinet Council, as it was felt that the fate of the Crédit Fonçier trembled in the balance, and the French Government consequently came to the rescue and

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made the necessary advance. This assistance did not, however, save Egypt from the disgrace of dishonouring its bills. On the 8th of April a notice of the suspension of payment was advertised at the Stock Exchange of Alexandria. At the same time the Government officials comported themselves with so much arrogance that several small riots occurred.

It was at this moment that Mr. Cave's report, which, after all, and on second thoughts, had been published, arrived at Cairo. It was looked upon as an official confirmation of the maladministration of the country. The moral was that every guarantee the country could offer was already pledged. The reduction of the interest to moderate proportions and the unification of the debt was the solution suggested, but the success of such a combination depended solely on the appointment of European controllers. On the 7th May, the *Egyptian Moniteur*, published the decree that showed the principle of unification had been accepted. After this, the principle of European control was of necessity accepted, and then we enter on the modern phase of Egyptian finances. The subsequent mission of Mr. Goschen and M. Joubert are familiar to our readers. The failure of the European Ministry are but the events of last year, and these we need not now recapitulate. We have given at some length the Financial History of Egypt during the earlier years of Ismaïl Pasha's reign, as this was least known, but as we approached nearer to the present date, we have abbreviated what we feared might be already familiar to our readers. We may conclude this summary with the remark that in the beginning, as in the end of Ismaïl Pasha's administration, an entire want of principle, and of devotion to the true interests of the country was unfortunately only too manifest.

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CHAPTER XV.

A SUZERAIN AND HIS VASSAL IN DIFFICULTIES.

ENGLAND and France have two measures of justice in the East. When a great Oriental Power like Turkey insolently repudiates all its money obligations towards the foreigner, neither England nor France enter a serious expostulation. Intervention; the forced appointment of Controllers to overhaul the national Ministry of Finance; the imposition of liquidators; the erection of an *imperium in imperio* in the shape of International Tribunals; and the seizure of Domain Lands through the agency of a mighty money-lending firm—are proceedings which may not be taken with an Imperial Power, but can be forced upon as a minor one.

The *Times'* correspondents in Constantinople and Cairo have drawn pictures of the financial difficulties of Turkey and Egypt, and of the relation of the European Powers to these difficulties, which are eminently suggestive of the different measures of justice that are meted out to the Suzerain and the vassal. The Suzerain, after having thrown over his creditors and repudiated all his engagements, without deigning to parley about a possible modification or reduction of his liabilities—strong in the belief that his continued existence is necessary to his principal dupes—is left to go on accumulating further debts, to be in their turn repudiated; and to pursue a course of

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reckless and desolating extravagance. If, after a time, it has pleased him to talk of throwing a piaster or two to his creditors, it is only by way of ground-bait to bring other fish into his net.

But how stands the case with the hard-working, orderly and honourable vassal State? Through the robberies of the Viceroy, whom the Suzerain maintained as a provincial ruler long after he had proved himself to be in all respects unworthy, the prosperous province is burdened with a prodigious debt—much of which, by-the-way, was paid in the shape of bribes into the Suzerain treasury. But heavy as the fardel is, the fellah bravely bears it, and out of his corn fields pays the exorbitant interest of the usurer, until he is fairly overtasked. Even then he asks only for time, and for an efficient and trustworthy ruler to protect and cheer him while he works. But what is his answer? It is shadowed forth in the Controllers' joint Report. (See Appendix I.)

The European creditor puts men in possession. The vassal can be bullied with impunity; and his domains and his administration can be overrun with European officers at princely salaries—all armed as the sheriff's officer is armed—all giving one answer to the murmurs of the native population:—"Pay, and we go;" and relying on the impotency of the Prince they themselves have forced upon the country, in violation of the religious law of the natives, to make their will and whim paramount.

The Suzerain pays not a piaster, and is not pressed; the vassal State pays, and prays only for a little time and a strong ruler to direct its progress and prosperity, and a posse of inferior European administrators from the West is put in possession! Turkey puts forth at her Imperial pleasure an Imperial Decree. Egypt is taken out of the hands of the Egyptians, and cast under the rule of two nominees of England and France, with officials from the other Great Powers to overlook and overhaul them; and

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finally, of a Liquidation Commission! Let us glance first at the Suzerain in difficulties, and see how haughtily he dictates his terms:—

"The Financial Decree promised that for the next ten years a sum £T.1,350,000 will be annually at the disposal of the bondholders, and a copy of the Convention with the Galatia bankers, on which the Decree was founded, were last night (Dec. 1) officially communicated to the representatives of the Great Powers. Accompanying these documents is a short note explaning that this is merely a bondholder's rights. Nothing is said in the way in which the Decree has been received by the public, but it is no secret, that the unfavourable impression which it has produced in the financial world has caused a great deal of disappointment in official circles. The Government, remembering the happy times when torrents of gold flowed into the Imperial Treasury from the credulous European public ardently desired to regain admission to the Stock Exchange, and has been for some time under the illusion that this desire might be easily realised. Zuhdi Pasha, who has been three times Minister of Finance during the past eighteen months, repeatedly formed ingenious projects for this purpose. He imagined that by making a few vague promises and admitting a very small amount of purely nominal control, he would obtain the support of the Galatia bankers, and, through them, of the great financial establishments of England and France. As the bankers obstinately demanded solid guarantees, all the schemes broke down. The present Ministry renewed the attempt. Mahmoud Nedim, recognising the radical defect of previous schemes, conceived the bolder design of appealing directly to the bondholders, and of inducing them to identify their interest with those of the Empire. With a view to attain this end, he proposed as soon as he entered the Cabinet, that delegates of the home and foreign bondholders should be invited to meet at Constantinople, and should be allowed

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to examine thoroughly the real financial condition of the country. As the interests of the Government and of its creditors are necessarily to a certain extent identical, he supposed that the bondholders might be induced to risk a little more capital for the purpose of setting the Government on its legs, and enabling it first of all to free itself from the institutions which are sometimes uncermoniously termed the Galatia vampires, and then to resume gradually the payments on the National Debt. The essential points of his scheme were that the investigations on which the Budget should be founded must be made by the authorities and representatives of the bondholders in common, and that the sum to be paid annually as interest of the debt must be fixed, not simply by an autocratic decree of the Sultan, but by a voluntary arrangement between the bondholders and the Government. This scheme raised decided opposition in the Cabnet. The real objection to it is that its author was evidently led astray by a false analogy. When an honest, enterprising merchant becomes bankrupt through no fault of his own, his creditors may wisely, with a view to their interests, postpone their claims, and even advance money, so that he may be able to recover himself. The position of Turkey, however, has no analogy with a case of this kind. It resembles rather that of a reckless, unrepentant spendthrift who calls together his creditors and endeavours to obtain a settlement simply because the usurers will no longer advance him any more money, and he finds himself consequently in danger of absolute starvation. To liberate such a man from the clutches of the money-lenders in the hope that he may spontaneously put his affairs in order and gradually pay off his previous debts, would be of course an act of extreme folly. If the creditors intended to do anything of the kind, they would doubtless demand as a condition that the bankrupt estate should be handed over to them for administration, and that the defaulter should be put on a moderate fixed allow-

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ance. Now, this handing over of the administration, and accepting a fixed allowance is precisely what the Turkish Government most dreads, and will never admit so long as a particle of passive resistance is left in it."

It is what the Turkish Government will never do—while it remains a Power. The "unrepentant spendthrift," in desperate straits for money, threw out this decree, almost avowedly with the hope of obtaining further advances, and not with the least desire to return to honest ways. Meanwhile, the nations from whom the Porte had drawn millions, remained, not in a threatening, but in an humbly expectant attitude, hoping that, before it was too late, the Sultan might be brought to see the best policy in honesty.

It seems that the Turkish Cabinet imagined that the bondholders would gratefully accept their decree, that it would restore public confidence, and that they could then once again play "the confidence trick." They have been already undeceived, and the old Turks are muttering between their teeth—"Don't tread on the tail of the snake;" the snake being the dog of a Christian who has lent them money. The Pashas of the Palace are consoling themselves by confiscating the municipal funds of Pera and other places, and the moneys of the provincial treasuries.

Let us now glance at the vassal, who is also in difficulties, but has never repudiated a liability, and only asks that he may be left to himself under his legitimate ruler.

The letter is dated from Alexandria, before the reduction of the Unified Debt:—

"The two Controllers are not letting the grass grow under their feet. Long interviews with the Khedive, business discussions with the Prime Minister, laborious investigations into the various categories of the Floating Debt, have kept them busy some ten hours a day ever since their arrival. Everybody agrees that they are of one mind, and actuated by a common desire to set things financially

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straight as a preliminary to the establishment of good government. Their real difficulty is the Floating Debt. The 'Grand Syndicate' is partially covered, and 'Grenfield and Company' are wholly covered by special pledges of Government Stock and other revenue; but still claims of nearly five millions sterling have to be met. A large proportion of these latter claims have been ratified by judgments of the International Tribunals, while a considerable amount, about £1,400,000, is secured by mortgage on the Domain lands. To meet all these claims, secured or unsecured, about three millions only is now due from Messrs. Rothschild. As regards the mortgages, some have already been decided to be valid against the Domain Loan, and the Controllers are going to try the question as regards the rest. They will have then to decide whether they will pay for those who hold sound mortgages, or whether they will allow some of the Domain lands to be sold. The latter course will be avoided, if possible; but whatever decision they come to in this matter, the one fact is clear that all claimants cannot possibly be paid in full. The more certainly is this the case because the Controllers have very properly decided that salaries and the Tribute must in any case be paid without drawback.

"Next to the liquidation of the Floating Debt comes the pressing question whether the Unified Debt shall be paid at the old seven per cent. rate, a rate which has not been reached for some time, or whether it shall be reduced to five or even four per cent. In short, Egypt is partially insolvent, and the Controllers have to consider how best to cope with this insolvency. Another country, under similar circumstances, would be able to pass a law reducing the rate of interest of the Consolidated Debt, and offering the Floating Debt holders three-quarters, or two-thirds, or a half of their claim in cash, with script of the Funded Debt in lieu of payment of the rest. But Egypt is in an anomalous condition. She cannot legislate in matters which

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affect the acquired rights of foreigners without the consent of the Powers who created the International Tribunals. All such questions must be decided by the codes, and they do not include the case of partial insolvency of the State. The consequence is, that neither Tewfik Pasha and his Ministers, nor the Controllers themselves can end the financial difficulties. Whatever arrangement as regards this partial insolvency is made, it requires the consent of the Powers, and how this consent can be obtained is the real stumbling-block to Egyptian progress just now. The first plan, which was long discussed in London, Paris, and Vienna, was to create a Commission of Liquidation with legislative powers which would settle what should be paid to all classes of creditors, and whose settlement would be law. But it was found that such a Commission would have to be composed practically of some half-dozen nationalities, and experience has shown that too many international representatives interfere with business, just as too many cooks spoil the broth. So this device will probably be abandoned. The next plan is to give the Controllers legislative powers *ad hoc* and let them settle the whole question. But this practical solution would be wrecked on the rock of international jealousies. The third idea, and it seems the safest, is to let the Controllers, together with the Egyptian Government, work out, on the basis of the laborious investigations of the Rivers-Wilson Commission of Inquiry, a settlement of all the conflicting claims and interests. The plan would then be cast in the form of a financial law and submitted to the Powers for their acceptance. This course will probably be adopted. Objections may be fairly raised to all plans; perhaps none is theoretically perfect; but *le mieux est l'ennemi du bien*, and opposition to all would probably end in a most regrettable conflict between the decisions of the International Tribunals, as the mouthpiece of the codes, and the

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necessity of the Government to get free at all hazards from the present financial embarrassment."

Egypt is in anomalous position indeed. She is in the grip of foreigners, who have no excuse for their presence, save that there is money owing to them; and who have forced themselves upon a weak State as self-constituted official liquidators. We can only infer from the line which is being adopted at Cairo, that if the Egyptians had presumed to act in regard to their State Debt like the Turks, no Pasha in the Valley of the Nile would by this time have a divan to lie upon nor a roof to cover him.

The vigorous activity which reigns at Alexandria; the natural wealth which the country is exporting; and the peaceful and moral character of the agricultural population —tell us that Egypt left to govern herself, with Ismaïl's family and creatures—his women and slaves and eunuchs —cast out of her; would pay all her legacy of debt the ex-Khedive left her, with ease and with regularity. As it is, the chances are that the conflicts of the Consuls and the clashings of the native with the European administrators, will bring her once more—and at no distant date—to another *coup d'état*, and one more calamitous than the last.

The action taken by Sir Henry Layard at Constantinople to coerce the Sultan into a decent regard for his treaty engagements, must indeed suggest bitter reflections to all who have studied the course of Anglo-French interposition in the affairs of Egypt. In the one case we have an Empire rotten to the core; overrun by brigandage, and cursed by ruthless governors; so utterly bankrupt that its Finance Minister finds much trouble in borrowing £1,500 from a Galatia banker, and so disorganised that the peasant has to cultivate his fields armed to the teeth. In the other case we look upon a fair and fertile valley, where peaceful and industrious husbandmen regularly raise and garner and sell their golden harvests; a valley blessed by Providence with a fertilising river, which makes it fruitful beyond all

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other valleys, and inhabited with a gentle race of patient workers. The traveller may pass through the length and breadth of it without the most distant chance of molestation. It is, in short, a land of peace and plenty—where even misgovernment and oppression, the cruel exactions of the tax-gatherer, and the forced labour imposed by an avaricious and reckless Prince, have failed to break down the orderly lives of the tillers of the soil.

Yet, how has the civilisation of the West behaved towards these two Eastern countries? It has tolerated the incurable baseness and immorality of the parent Empire, and suffered it to renounce its debts and to defy the advances of every reforming hand; while it has fallen with cruel severity upon the orderly and industrious subject State, imposing upon it deliberately an incapable ruler, that the people might remain subject to the domination of the West.

The Western nations have forced upon the Egyptians a control that is tantamount to slavery to two foreign Powers, as punishment for delays in the payment of the load of debt heaped upon their backs by Ismaïl Pasha; whereas they have permitted the Turks to repudiate their liabilities entirely, without venturing more than a remonstrance. The vain threat of the advance of the British fleet into Turkish waters, in October last, was a menace intended to compel the Porte to mend his ways in Asia Minor; but not to impose control over the bankrupt exchequer.

Egypt is paying her debts—slowly, it is true; but she is honestly paying, so far as Ismaïl and his creature Tewfiik and their obsequious Pashas will let her. And yet she is coerced by two Comptrollers who are in Cairo to carry out something like the following articles:—

"According to Article I. the Controllers are empowered to make the most extensive investigation into all the services of the Egyptian Government, including the services connected with the Consolidated Debt. Ministers and officials of every order and every rank are bound to

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supply the Controllers with all the information they may desire, and to furnish them with all documents they may demand for inspection. The Minister of Finance must hand to the Controller every eight days a statement of the receipts and expenditure. The other administrations must remit statements monthly.

"Article II. stipulates that the Controllers shall be irremovable, except by their respective Governments.

"Article III. states that England and France having consented for the moment that the Controllers shall not take the effective direction of the public services, the functions of the Controllers are now confined to the task of investigation, control, and supervision,

"Article IV. states the Controllers shall possess the rank of Ministers, with the rights to seats at the Council of Ministers, and a consulting voice.

"Article V. provides that when the Committee think fit they may assemble the Commissioners of the Caisse of the Public Debt, in order to deliberate upon such matters as may be deemed convenient.

"Article VI. states that the Controllers will make reports whenever they please upon all questions, addressing such reports to the Khedive and to the Ministers. The reports will be published in the official journal.

"Article VII. provides that the Controllers shall have power to appoint and dismiss the officials whose services they may require. The Controllers will make their own Budget, and funds of all kinds will be paid to them in twelfths."

And what is the excuse for this rigour to the Egyptian, which the Western nations dare not put upon the Turk? The dishonest administration of the State, we are told, whereby the public creditor is defrauded of his just due. The Turk is more dishonest, but he is more difficult to overpower—as the withdrawal of the order to the British fleet to proceed to Turkish waters, on the mere protest of Musurus Pasha to Lord Salisbury proves. It is clear that

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an honest, strong, and enlightened ruler would, in a year, make Egypt one of the most orderly and prosperous States in the world—for it is the governing body, not the governed who have to be reformed. But, then, the prosperity and peace of Egypt are not the objects the Western Powers have in view, it would seem. They are engaged in a race for a preponderating influence there; and care for the public creditor is merely their excuse.

For instance, the failure as regards the November coupon (1879) was not the want of money. It was the consequence of the abstraction of money that should have gone into the Public Debt Treasury. At this very time £180,000 were forwarded from Egypt to Naples—in other words, to the ex-Khedive, by his obedient son and *locum tenens*.

With regard to the difficulties which the Controllers must necessarily meet with in the future, the *Times* justly remarked in January, 1880:—

"Disagreement will be apt to spring up in manifold ways through the mutual jealousies of the Controllers, through differences between them and the usually accredited representatives of their respective Governments in Egypt, through an access of disloyalty to the new arrangement on the part of the new Khedive himself, through disagreement between the delegating Powers. We have also to consider the other European Powers who are not represented in Egypt by Controllers, but who will have something to say respecting the matter. All the Powers are interested in this question, so much so that proposals were lately under discussion for an International Commission of Liquidation. Now it is suggested that the terms of compromise should be submitted for the acceptance of the respective Powers, in order that the International Tribunals in Egypt may recognise them. Everyone must desire that the new Khedive may bring about a more regular administration of his country, thus giving the Controllers no occasion for interfering even by advice."

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In a later article on this subject the same journal says:—"The scheme of the Controllers is a composition, and must clearly be recognised as such. In ordinary circumstances, when a State compounds with its creditors, the Sovereign Power issues a Decree containing the terms of the composition which the creditors must accept. In Egypt, however, the Khedive is not Sovereign, nor can the Sultan supplement in this respect the deficiency of his authority. The International Tribunals set up in Egypt by the consent of the Powers, as a substitute for the old consular jurisdictions, are allowed a jurisdiction over the Khedive so far as regards the claims of foreigners and a decree of the Khedive cannot be pleaded in bar of their judgments. It follows that the Khedive cannot of himself organise any composition of his debts; but neither have the International Tribunals any jurisdiction in bankruptcy to make a composition satisfactory to themselves, or accepted by a majority of creditors, binding on all creditors. In order to give a scheme of composition perfect validity, an agreement similar to that which established the Tribunals must now be come to by the Powers, so as to impose upon the Tribunals obedience to the scheme. Two methods are suggested of arriving at this conclusion. The first contemplates the appointment of a Commission of Liquidation, with legislative powers over the matters committed to its charge; but many objections may be anticipated to a proposal to invest this body with such an undefined authority. According to the second suggestion, the Egyptian Government, accepting as it has done the scheme of the Controllers, would formally submit it to the Powers for their ratification. If the Powers approve and communicate their approval to the Tribunals, the latter would then be bound by the authoritity which called themselves into being. This plan appears to be regarded by the Controllers as an alternative upon which to fall back if the project of a Commission of Liquidation fails; but the real difficulties, those of obtaining the assent of the several

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Powers to a composition, are practically the same in both cases."

The French papers analysed the Report of the Controllers-General, finding in it a great deal of confusion, and very little clearness in everything that concerns the application of the regulations laid down by Messrs. Baring and De Blignières. It seemed to be nearly the general opinion that great difficulties would stand in the way of carrying these measures into practice, first of all on the part of the creditors, who absolutely refused to accept the conclusions of the Report; besides which it was not certain whether the Powers will give their sanction to it either. The *Paris Journal* took the most reasonable view of the matter:—

"The Report of the Controllers is undoubtedly of a nature to arouse painful feelings amongst the holders of Egpytian Stock, who cannot fail to be disagreeably suprised to find that as a concomitant to an exceptionally favourable harvest, when everything seemed to concur in leading to a satisfactory state of things, they are suddenly asked to take four per cent. interest, instead of the six per cent. stipulated in the 1876 Convention. No contrariety has intervened to bring about this unwelcome change, and what greately aggravates the proposial for reduction is that it actually comes from the very men who, less than a year ago, when acting as members of the Debt Commission, and of the Commission of Inquiry, spoke of a minimum of five per cent. in relation to Unified Stock, while waiting for a speedy return to the nominal six per cent. If Messrs. Baring and De Blignières have altered their opinions in so striking a manner in a few months, during which time the state of affairs in Egpyt has continued to improve, on account of an exceptionally fruitful year, we can only ask anxiously where this state of things will stop, and wonder how much confidence may be placed in new promises if the old ones are broken without any visible cause."

L'Europe Diplomatique, in January, 1880, joined with

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the *Paris Journal* in its estimate of the wonderful financial and economic resources of Egypt; but it took a much less optimist view of the men of the present *régime*, who, it said, with perfect justice, either did not take advantage of the resources open to them or, at any rate, unwisely frittered them away. "It is to be hoped that the new Ministry will thoroughly examine the state of administrative, military, religious, and social disorganisation into which the country is slowly drifting, a condition of things which day by day menaces the great work of Mehemet Ali with destruction. Mehemet Ali gathered together the shreds left after the almost total destruction of the Egyptian people by the tyranny of the Beys and Mamelukes, and united them into a consistent whole, almost forming a homogeneous nation, which nowadays is fast returning to its old shred-like condition. No matter where we turn, we meet with nothing but intrigues, manœuvres, and cabals, whose object is either to prop up a Power which is more apparent than real, or to wrest it from those who hold it at the price of Heaven only knows what sacrifices of honour and conscience. The sentiment of respect for the public good does not exist in Egypt, neither in the upper nor the lower strata of the nation; everyone looks to his own personal interest, and, like a pigmy Louis XV., constantly exclaims, "*Après moi, le Déluge.*" No one thinks of the future of a country which, in virtue of its geographical situation, will at no very distant date become one of the principal centres of the destinies of modern civilisation; nobody, in fact, thinks of safeguarding the most primary interests of the country. Self-interest governs all; and meanness of ideas, and pettiness of character seem to increase daily under the rule of the young Khedive, who was at one time to have been condemned to a perpetual minority. At the moment when Egyptian autonomy, which was favoured even by the Porte itself, is sinking under European interference; at

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the moment when every great Power is clamouring for its part of the quarry, in the form of one or other branch of the local administration, at the moment when Downing-street ostensibly rules all the Egyptian functionaries, from the Khedive himself down to the French Controller, M. de Blignières; at such a moment, we repeat, Egyptian statesmen, real or sham, only take heed of this state of things with the view of finding out whether the salary of the First Minister shall be paid to Riaz, Sherif or Nubar. "It is even said," goes on the correspondent, who gives the story for what it is worth, "that the two natural enemies, Sherif and Nubar, are about to form a coalition against Riaz, but we all know in what direction such coalitions always tend. As for the young Khedive, the correspondent takes a middle course, and neither lauds him to the skies nor cries him down. Tewfik Pasha according to him, did not deserve the punishment of being made a prince, which the irony of fate had in store for him. He is blamed for having too keen a sense of his personal weakness, a failing which is but too apparent to all who come into contact with him. He can hardly be blamed for seeing his own shortcomings, perplexed as his somewhat feeble and indolent mind is by the orders of England on the one side, and the greediness of Naples on the other; between the weakness and unpopularity of Riaz, and the necessities of a Government whose helm his weak hand is unfit to hold. His perplexity is no doubt a sharp crown of thorns to him, and as such should command respect."

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CHAPTER XVI.

SOME EGYPTIAN CORRESPONDENCE.

L'Europe Diplomatique published, December, 1879, a highly interesting and important letter from Cairo, of which the following are the best passages :—

"I have already sent you the text of the Khedivial Decree defining the attributions of the Controllers-General. It is now necessary to investigate the principal modifications which, at the eleventh hour, have, in consequence of the demand of the Egyptian Government, been made in the primitive project presented by England and France.

"Certainly I cannot deny the importance of some of the modifications on which Riaz Pasha has insisted. The wording of Art. 1 and Art. 7 is more correct if judged from an international point of view, and is certainly less humiliating for the native Ministry.

"As for Art 3, it no longer embodies the menacing dispositions which at the very onset I pointed out to you. The Governments of England and France no longer require that 'the Controllers-General shall not for the moment assume the *effective direction of the public administrations*,' but only that they should not exercise 'their attributes according to the terms of the decree of November 18th, 1876.' According to this decree, all the operations of the Egyptian Treasury, respecting either the receipts or the expenditure, were to be examined either by M. Romaine

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or M. de Malaret, the two Controllers who were then appointed. In spite of this form of control, it is well known that Ismaïl Pasha was able to render M. de Malaret powerless and M. Romaine an ally. There is, therefore, nothing surprising if the Cabinets of London and Paris have abandoned, for the moment, formalities which never acted as real checks under the father's reign, and are not likely to be more successful with the son. But was it worth while, for so slight a purpose, to have drawn up an article which occasioned so many disagreeable criticisms, not only in Greece and Italy, but also in Austria, Germany, and even in Russia? I must again return to the attitude in this respect observed by Russia.

"However this may be, the European colonists established in Egypt continue to criticise, with a severity which is tinged with a touch of despair, the new experiment, the new trial imposed upon them by the Anglo-French alliance. The arrival of Mr. Baring—for this time he has really arrived—and M. de Blignières, combined with an unlooked-for rise in Egyptian securities, and the marvellous harvest from which we all benefit—these various causes tend to modify the general impression. No good is expected from the *renewal of the European Ministry*, for such is the way the new combination is qualified. It brings us back Mr. Rivers Wilson, M de Blignières, Riaz Pasha, and Nubar Pasha; the first being at the head of the Liquidation Commission, the second at the head of the Control, the third at the head of the Ministry, and the fourth at the head of no one knows exactly what, but probably everything. There is not a person, whether he be a functionary, a merchant, a scholar, or a traveller, who, being a little acquainted with the men and things of this country, does not recognise that the game is lost before it has been begun, that it has not been so well contrived as in the first instance; and the same causes now intensified must logically bring about a more acute repetition of the same effects.

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"This is not encouraging, and this must account for the increasing despondency of the tone of my letters. I cannot pretend, at this distance, to judge in an absolute manner the political blunders committed in Downing-street and on the Quai d'Orsay. I am convinced that, on the borders of the Thames and the Seine the best efforts are made to overcome the difficulties of the position, and this for the best of reasons—namely, that there is not a Ministry in existence but seeks to make the best of a bad business. But at Paris and London these questions are considered in a very different light to that in which we see them here. What your opinions may be you yourselves must explain; I restrict myself to describing what are the opinions entertained on the borders of the Nile.

"What I said with respect to the famous programme of the National party will apply in this instance. The Riaz Ministry was greatly annoyed by this manifestation, and, as might naturally be expected, sought to reduce its importance. It caused a friendly newspaper to spread the rumour that the manifesto was the lucubration of an individual European, who is well-known by reason of his fertility in the production of pamphlets, and that consequently the whole affair was of no importance.

"I must confess that this *naïve* explanation did not influence me. I do not know, nor desire to know, whether the European in question was or was not commissioned by Ismaïl Pasha to issue in tolerable French the manifesto in question. Of this, however, I am certain—namely, he never undertook this work *proprio motu*, and, above all, the extensive and gratuitous distribution of the manifesto among natives and Europeans was not the result of his unaided and voluntary efforts.

"For my part I think it sufficient to state that the press of Cairo and Alexandria, and more especially the Italian papers, have been unanimous in attributing serious importance to the manifesto. It is treated as the prologue of

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events similar to those which have rendered the date of the 7th of April celebrated in Egyptian history. In tracing this manifesto to Naples I was, therefore, not far off the secret. The motive power will be found at Naples, and yet Riaz Pasha plays his part by refraining to touch the exile at the *Favorita*, and by striking with redoubled ardour against those whom he imagines have lent their names to the ex-Viceroy; while I, on my side, am attempting to perform my part by revealing to you the origin of the comedy. This I have done only on the soundest grounds, and if I am mistaken, then my error will be shared by a number of most honourable persons.

"As to current news, I should note that Mr. Malet, the new diplomatic agent and Consul-General representing Great Britain at Cairo, has been received with ostentatious welcome at the Khedive's Court. This is due to the plenipotentiary attributes possessed by Mr. Malet. This is the first time we have seen a Consul-General fulfilling the functions of a Minister Plenipotentiary. If this had happened in the time of Ismaïl, he would have been overcome with pleasure and pride, and would have concluded that he was exempted from his vassalship towards the Porte. Under Tewfik, to judge from all appearance, this will not have as much importance.

"It is to be presumed that France will act in a similar manner, and will also have its Minister Plenipotentiary at the Khedivial Court; for its representative cannot stand behind that of England in the matter of hierarchial supremacy. We have received news from Paris to the effect that overtures have been made to the Baron des Michels, with a view of his returning to his ancient post, but with the new quality of Minister. To those who know M. des Michels, his special aptitude, his severe but justifiable criticism with respect to the first Anglo-French *condominium*, will naturally doubt his acceptance of this offer.

"This reticence on his part is all the more likely to be

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maintained, as M. des Michels knows better than any one else that this dearth of Ministers Plenipotentiaries in Egypt is destined to become a somewhat stupid mask, which the other Powers will employ. Germany, Russia, Austria, the United States, Italy, Greece, &c., &c., will be sending their Ministers Plenipotentiaries. The Consul-General of a great Northern Power ventured the other evening to remark, and this before more than twenty persons, that if England and France persist in sending Ministers Plenipotentiaries as simple Consuls to Egypt, 'we will imitate them; and if needs be we will send Ambassadors to fulfil the humble but useful function of Consuls!'

"This little repartee, though it may be considered as a mere joke, nevertheless expresses very accurately the feelings of the entire diplomatic corps towards England and France.

"The two Consuls-General of Germany and Austria are notably allied against what is preparing, and their union is far more intimate, far more menacing, than the agreement which is supposed to link France and England together. Any one gifted with a little political instinct can guess this much.

"Greece and Italy are both already very troublesome, and will be still more embarrassing when it is time to discuss the prolongation of the Tribunals of the Judicial Reform. I do not of course attach much importance to the protests of the Hellenic Cabinet against the inviolability of the domains of the Rothschild Loan, such as it has been established by the Khedivial decree. This is at the most a final incident added to a transaction which has been grossly mismanaged, and has been already only too fertile in the production of complications of this description. It is a last stone thrown at the practical ability of Mr. Rivers Wilson.

"What causes me the most anxiety, and what impresses those persons who are well acquainted with all that is occurring in certain circles, is undoubtedly the very stiff and

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distant attitude assumed by the Consul-General of Russia. To recall a saying of the Russian Grand Chancellor, Prince Gortchakoff, it would seem that to-day, after Plevna and its consequences, as after the fall of the Malakoff, Russia is not 'sulking,' but gathering herself together; and this preparation has a particular bearing on Egyptian affairs. The work is financial and economical in its general character, as may be gathered from the following extract from the *Novoe Vremya*. This Russian journal evidently possesses special authority, for a few words in its columns have sufficed to awaken the attention of England, and inquiries have been made as to the allegations I am about to quote:—

"'Some of our richest cotton manufacturers of Moscow, Messrs. Hludoff, Khoushin, Tretiakoff, together with Baron Knopp, Messrs. Lamin, Soldatenko, Morosoff, and others, have sent to Egypt for the purpose of buying all the cotton of this year's harvest. The increasing demand for raw materials by the cotton manufacturers was the principal cause of this determination on the part of the Russian manufacturers to acquire the possession of the cotton products of Egypt. It must be observed that Egypt is connected with all ports of the Black Sea by a regular service of steamers, and, after the Southern States of America, it is the country and the climate which possess the best conditions for the cultivation of cotton of a superior quality. Out of the 10,000,000 bales of cotton gathered in the various parts of the world, 2,000,000 bales come from Egypt, and the quality of the Egyptian cotton is superior to all the other known cottons.'

"It would be difficult, in fact impossible, for me to estimate the accuracy of the information given by the *Novoe Vremya*. The names mentioned are well known, and enjoy a high reputation on the markets of Alexandria and Cairo; but between this and the monopoly of the cotton produce falling into their hands, there is plenty of room for doubt. Nor would I vouch for the accuracy of the

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proportional figures given above. Nevertheless, I must add that the correspondent of an English newspaper—a newspaper which, on special subjects, enjoys a greater reputation than the *Times*, whispered to me, the other day, that all these statements were unfortunately too true; that the Muscovites hired, or purchased, and at any price, the land suited to the cultivation of cotton, and that they thus sought to create for themselves financial and economical interests in Egypt, which will be at least as important as those of England and France.

"My interlocutor was of opinion that the object of the Muscovite manufacturers was first of all to acquire the predominance on a cotton market, which certainly, and whatever may be the current prices, is undoubtedly the nearest and most convenient for Russia. Secondly, they are seeking to retort against the lack of diplomatic consideration which, in appearance at least, has been displayed towards Russia when M. de Blignières and Mr. Baring were sent to Vienna to discuss the commercial interests of Germany, while they neglected to travel further, under the pretext that the Russian merchant did not exist in Egypt, and that, from a financial point of view, Russia had no interest whatsoever in what was going to take place.

"If the Russian merchant is doing what is reported of him, it is evident that the Rothschild domains and the far more important domains which the former Viceroy has kept under various borrowed names, are about to find some systematic purchasers.

"The result of all this is that, in a short time, Russian interests on the Suez Canal and on the Nile will equal more or less accurately the English interests. Towards Abyssinia also there are ugly symptoms—the conclusion of all this being that formerly the struggle between Russia and England was only noticeable at Constantinople; and now, since the Treaty of Berlin and the acquisition of Cyprus, the public

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imagine that the seat of war has been removed to Central Asia. But this is an error, if a pardonable error. From the very first I have insisted that the Eastern Question was now transferred to Port Saïd and Cairo.

"It would, nevertheless have been easy for the Government of the Republic to have prevented all this by following M. Thiers's advice, and conducting Egypt into a Mediterranean Belgium—the efforts of France being limited to the appointment of a wise and experienced Pharaoh."

The following extracts are from a letter dated Cairo, addressed to the *Moniteur Universel* in December 1879:—

"Mr. Baring has arrived, M. de Blignières has arrived, Mr. Rivers Wilson is expected from day to day. All these persons have been or will be received on landing with official ceremony, ordered by Riaz Pasha, and reluctantly allowed by Tewfik Pasha.

"Thus the members of the defunct European Cabinet are once more gathered together; the same men who after holding the reins of power for several months, without accomplishing anything, disappeared from the political horizon at the beginning of this year. The Anglo-French alliance has thought fit to send them back again in spite of the displeasure of the rest of Europe, and the only alteration is in the nature of the functions attributed to each person.

"It is hoped that M. Waddington will find forgiveness for the lamentable fault he has just committed for the second time, with respect to Egpytian affairs; but it is doubtful whether France will readily forgive the assumption of responsibility for a course of action which is not half under his control. What necessity was there for resuming, in conjunction with the English, a solidarity and companionship in which we are always the dupes? And this is not limited to Egypt, but extends to the whole of the East. We do not ignore in Egypt what has occurred in Syria and Constantinople. In Syria, in spite of Lord Beaconsfield's

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declaration, who formerly admitted that we possessed a right of protection, the English now refuse to make any such acknowledgment. They do not hesitate in the least at Damas, at Jerusalem, and even at Jaffa, to assume the tone of possessors of the country. They are already choosing the functionaries they purpose appointing to administer the country, and discuss the large salaries these individuals are to enjoy. At the same time, they loudly protest that in future they will no longer consider the objections and resistance made by the Turks and the French.

"With regard to affairs at Constantinople, I need scarcely recall the attitude of Sir Austen Layard, when he was informed that the concession for the construction of an embankment had been made over to a Frenchman. It was a matter of trivial importance, yet so loud were his complaints that it might have been thought a great wrong had been committed against the honour and security of some Englishman.

"But, to return to Egypt, it must not be thought that we have any illusions, either at Cairo or Alexandria, as to the meaning of the return of Mr. Rivers Wilson, who will assume, it is said, the direction of the Commission of Liquidation. The Commission of Liquidation for a country which, according even to the preliminary report of the Commission of Inquiry, was never in a condition of collapse, is a conception thoroughly English in its origin. Thus, around this English policy of liquidation and its representative and president, Mr. Rivers Wilson, we shall see the various satellites gravitate. The general control, the native Ministry, Riaz Pasha, M. de Blignières, Blüm Pasha, Nourrisson Bey, &c., &c.—all these and many other personages will gravitate towards the centre of attraction,—Mr. Rivers Wilson.

"But why should Mr. Wilson exercise this power of attraction? M. le Baron Louis was once explaining to M.

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Thiers what, according to his opinion, was the great flaw in the too notorious Famine Treaty.

"'There was,' he said, 'in this association, which was quite acceptable in principle, but most objectionable in the consequences deducted therefrom, men who were not wanting either in honour or talent. But one and all started from the false presumption that it was possible honestly to derive personal benefit from a public misfortune.' This is precisely what the associates of the future liquidator, Mr. Wilson, are accused by public opinion of attempting.' Without adopting this opinion, it is necessary that its existence should be recorded, and it is an undoubted fact that the European element and the fellahs are both agreed in viewing the new appointments in the light of instruments for their mutual ruin.

"The Europeans, who for the most part are well acquainted with the course of negotiations carried forward at Vienna, look upon the Controllers as persons who have sought before all to be accepted by the Powers as the administrators of sequestered property, or something analogous. Their plan was known a month before their arrival here. It was said on the Stock Exchange, and at the Clubs, that their object was to return to Egypt with the right of acting as they thought fit, and of basing such action on the assumption that the country brought in a net revenue of £7,000,000. On this sum the Bonds were to be estimated *pro rata*. As to the Floating Debt, whatever could be obtained from the Rothschilds would be consecrated to this purpose, and the rest paid in paper. The mortgages held on the Domain Loan lands would be protected against every effort made to annul them; in a word, they were to assume legislative as well as administrative powers, and, if necessary, tear asunder the most elementary laws on which the Tribunals of the Reform are based. To those who could not believe that this was the plan of action, the Councillor Marogna has been heard on several occasions to publicly

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reply that this was, on the contrary, most serious, and that he believed in its success.

"M. Marogna, it is known, is intimately connected with M. Lapenna, and his private relations would enable him to know better than any one what the Cabinets of Berlin and Vienna will allow. His words, therefore, carry weight, and the following will give some idea as to the reasons the Europeans may find to congratulate themselves on the triumphant return of the Controllers and their associates.

"The fellaheen are not on their side any the more pleased. They say to the Europeans:—

"'You complain that the functionaries coming from Europe are preparing to ruin you. By Allah! what shall we say—we who have never been so audaciously robbed before by our own people?'

"Once launched on this subject, the Arab no longer keeps his self-control. His imagination, perhaps somewhat troubled by suffering, is prone to exaggerate the facts he is asked to relate, and his evidence must be received with caution. He asserts, however, that the collection of taxes, in spite of Riaz Pasha's circulars, has been conducted with more inhuman successes than was the case even under Ismaïl. It is true that those persons who owe taxes that are set aside for the revenues destined to pay the interest of the Public Debt are treated with great leniency, but for all other taxes the case is very different. The bastinado is employed unrelentingly. The further to ensure success, all agents of the police have been promised the payment of their salaries when the arrears of taxes due have been gathered in. This has stimulated their zeal, and led to many excesses.

"Again, we are told that Riaz Pasha, while replying at great length in the *Moniteur Egyptien* to even the most insignificant petitions so long as they suit his purpose, throws away unnoticed those that seem somewhat inconvenient. One among others is specially mentioned. It was

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a petition signed by the most important and distinguished fellahs of the province of Ghizeh against the governor, Ahmet-Asmet, which was, however, thrown aside in consequence of the prayers addressed to the President of the Council by the family of the accused.

"The system of forced labour is also continued, to the great profit of the First Minister and his master. A great many persons have spoken of a Mudir—Khalid Pasha—who was dismissed and replaced by Danish Bey, simply because he refused to send 2,000 fellahs to work at the cotton harvest on certain lands which are said to belong to Riaz Pasha, if they do not belong either to the present or to the preceding Khedive.

"Inquiries should also be made as to the continued sale of places, under conditions peculiar to Egypt, and which has not been interrupted. A curious story is related concerning the son of Abdalah Pasha Arnaouti. This wealthy heir is said to have bought and paid no less than £3,000 cash for an appointment as district tax-collector. But this post, in spite of the money paid and accepted, has not yet been given to him. For all explanation he is told that the Khedive has a grievance against him, but that with patience he will obtain the post he has bought.

"Such are some of the stories circulated on all sides; their principal worth is that they indicate the current of public opinion, and they will suffice to show how weak is the faith in the new state of things. The European element of the new Government does not rest on any solid basis; at most it will be upheld by the members of the European colony, who at the risk of general reprobation will become the executors of the work of liquidation which has to be carried out. But it should be noted among these sort of bailiffs there will be very few English members of the Anglo-Egyptian colony. The native element of the Government, personified by Riaz Pasha and his friends, has even less foundation to rest upon. There remains Prince Tewfik,

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who relies on nothing, not even on himself, for everyone is speaking of his despondency, and his desire to give up his place to someone who possesses more strength of mind."

We now come to the following curious and instructive account of the relations of the son of Mehemet Ali with the Egyptian authorities, which is from the correspondence of *L'Europe Diplomatique*:

"Apropos of Prince Halim," says the correspondent, "and of his eventual chances of sitting on the Throne of Egypt, he is spoken about in a way that is wanting neither in interest nor freshness, as my readers will presently be able to judge for themselves. The youngest son of Mehemet Ali, in spite of all rumours to the contrary, is one of the richest Princes of the day, not by his appanage, but by the legacies, both patrimonial and otherwise, which from time to time have fallen to his lot. When it pleased Ismaïl Pasha to exile his nephew from Egypt because he appeared to stand somewhat in his way, Sultan Abdul Aziz would only lend himself to this iniquitous transaction on condition that the Khedive should once and for ever settle the conditions governing the fortune of the exiled Prince. A final contract was accordingly drawn up between Halim and Ismaïl, dated the 11th of July, 1870, in virtue of which the first-named Prince ceded to the second the whole of his Egyptian possessions, as well as those which he might thereafter inherit, in exchange for a yearly pension of £60,000 during forty years. Eighty Bonds, therefore, of £39,000 each, payable to bearer at certain dates, were handed to Prince Halim, who deposited them in the Bank of England, at the same time entering into a covenant that so long as the Khedivial Bonds drawn in his favour and accepted by him were paid regularly, he would not put them into circulation or discount them more than two years in advance. The reason for this arrangement was that Ismaïl did not wish his signature to be seen too much in the European markets just at the period when, as chief of

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the State, his financial troubles were just beginning. Ten of these Bonds were paid punctually to Prince Halim, but the eleventh, which came to maturity on July 11th, 1876, was only partly met, not a farthing having been paid since that date. The Superior Commission of Inquiry, in its famous preliminary Report, explained itself on this point just as it explained itself on a number of others, by one of those misconceptions of the true state of the case which raises a smile on the faces of those who are fully acquainted with the whole matter. I quote the following from this Report: 'The greater portion of the large possessions belonging to Halim Pasha were bought by the Khedive since 1865, and the Daïra Loan, which was launched at this period was contracted principally with a view of producing money for this purpose. The interest on this loan constitutes a charge on the State, although the revenue of the property so bought was never transferred to the coffers of the public Treasury. The arrangement entered in 1870, in virtue of which his Highness Halim Pasha consented to leave Egypt and give up all right to his possessions in that country, must be regarded more from a political than from a financial point of view. It can scarcely be doubted that the value of these possessions was less than is represented by the annuity of his Highness, which amounts to £60,000 per annum, for forty years. We have nothing to do with the political side of this question. In any case we think that the pension ought to be paid, either by the Khedive, or at any rate by those members of his family who have become possessed of the property of Halim Pasha, or else the revenues accruing from the property should be paid into the public Treasury. In any case this debt, instead of being carried to the Khedive's private account, has been made to figure as that of the State.'

"This quotation contains not only a misconception of the real facts of the case, but several incorrect statements. The misunderstandings consist in this: the Commission of

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Inquiry, which numbered among its members many men of great experience, who eventually became Ministers or Controllers-General, were sufficiently simple in this question of the debt owing to Prince Halim to accept the information furnished to them by Ismaïl Pasha. It would have been so easy and so logical at the time to have sought information from Prince Halim, giving a diametrically opposite view of the whole affair. Such a course would have spared all the mistakes into which the Commission has fallen. By adopting this course the Commission would have known that politics had very little, nay, almost nothing, to do with the matter in this settlement of accounts; it would also have known that what was given up by Prince Halim in July, 1878, was not only the remnant of his landed estates in Egypt—which appeared to him, with perfect truth, not to be worth more by themselves than some sixty millions—but he also gave up his right of succession according to the Mussulman law. Once put on this track, the Commission would have seen that these rights of inheritance possessed an importance that Ismaïl was anxious to hide from them. I am told, and I can readily believe it, that from 1870 to 1876 the Khedive received out of this property nearly as much as he parted with for the payment of his first ten Bonds drawn in favour of his exiled uncle at Constantinople. This is a single detail, by the light of which we may judge of the rest."

"The other mistakes in this document are, if possible, still more serious. Let us refer to the terms used by the author of the Report in question, in his account of this delicate business. He says, plainly, that the annuity due to Prince Halim ought to be paid regularly, either by his Highness the Khedive, or else by the members of his family who have benefited by the estates forfeited by Prince Halim; and that it would be unjust to call on the State to pay such a debt. This was especially hard on

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Prince Tewfik, who held, if I recollect rightly, the domain of Shoubrah, the favourite residence of Mehemet Ali, already left to Prince Halim, and who never paid anything to the Treasury, or, indeed, to any one else, for remaining in possession of this estate. I pass over his brothers and sisters. It is in vain that Prince Tewfik has been transformed into the Khedive; he has none the less a life interest in this property, according to the very words of the Commission of 1878—a property which ought to belong to the State, because this said unhappy State was saddled with the extinction of capital as well as the rent itself. But this is not all, for by a decision of the Council of Ministers they are going to try *proprio motu* to convert this undisputed and indisputable debt into a small State pension. I doubt, however, that this stroke of business, which has somewhat the appearance of an act of partial bankruptcy, will ever be accomplished. It would be a most thoroughly inopportune act.

"What would happen, may I ask, if Prince Halim, weary of the sharp practice of which he is the object, simply declared to the Princes and the Government that he had had quite enough of such dealings, and bid them return to him all they had received from him, on condition that he should return in like manner all that he had received from them, thus reassuming the possession of his rights as the son of Mehemet Ali, at the same time taking up his residence in Egypt, where it would soon be seen who had the greatest credit and authority in the country? The case I have just put is of course purely problematical, and I alone am responsible for it; but, in any case, it wears an air of probability.

"And what, may I ask, would be the fate of the present Government and of its internal and external anarchy, if Prince Halim were to quietly return and take possession of his rights and hereditary estates? His return would be opposed, but in virtue of what contract? The answer

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is a simple one. Would it be in virtue of an agreement to become an exile and a proscript under the pressure of a dead Sultan and a justly-deposed Khedive? But they themselves have violated the conditions of this syllagmatic contract, and have thus given the injured party the opportunity of laying before Europe his just complaints. Here comes in the piquant and unforeseen view of the present position of Prince Halim in Egypt, by which I terminate my letter. Generally speaking, the members of the various European colonies in Egypt are not very loath to see the evident denial of justice to Prince Halim, in which the Government and the Controllers seem disposed to become accomplices, and the agent of one of the great Powers made an allusion in my presence while speaking of the Prince's affairs, which seems to me to define the situation exactly, 'It will be well done,' he said to me, 'and I wish it might be the same with all Princes who reassume a political position. Your Henry VI. agreed one day that if the League had not undertaken the task of *upsetting his saucepan*, he would never have become King of France. Well, it will be all the better if the '*saucepan*' of Prince Halim is '*upset*,' for it may possibly have the effect of inspiring him with the firm resolution of succeeding to the political inheritance of his father.'"

Le Mouvement Financier, in a letter from Cairo, took a financial view of this latest of Egyptian scandals: "We were the first to assert and predict that the unfortunate history of the *Bonds*—or, to speak more correctly, of the *Bills of Exchage* of Prince Halim, would be calculated to create, both for the Egyptian Ministry and for the European Controllers, a number of annoyances, the significance and extent of which they never dreamed of. We are now in the midst of a series of German, Austrian, Italian, Greek, and Russian difficulties—call them what you will—and all on account of this gross blunder, and how we shall get out of it, Heaven only knows. The letter of the Prince is

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evidently one of those polite communications passing between Prince and Prince, between uncle and nephew; for otherwise, as a piece of fun and implacable procedure, it would have been sufficient for Prince Halim to have sent through any of his secretaries a message conceived in the third person to Riaz Pasha, written something in the following style:

"'The Prince has received notice of the pretended decision which you have come to in the Council of Ministers against the contract entered into with him by the ex-Khedive, and he simply confines himself to saying that this decision does not in any way concern him. He has passed away the bills of exchange, as it was within his right to do, to third parties in Europe, and it is for you to arrange with them as they present themselves.' Such a message would have been simple and short, stating as it does the exact truth as it is known to all the world. Instead of this, the Prince with truly regal generosity, which all must admire, speaks of his wish to be associated with the other creditors, and to share with them in the reductions to be imposed on them, if any reduction could be made. This behaviour may look very well from a politico-sentimental point of view, but in the language of business men it is worth nothing. If the Prince were at this moment a simple native creditor of his native Government, his debt would not be worth much more than those of the Moukhabalian sons of the soil—that is to say, it would not be worth much. Riaz, therefore, was right in his own generation in taking the bull by the horns, and solving the question by a simple decision of the Council of Ministers. Most luckily, however, for the remaining son of Mehemet Ali, it is not theirs, for he took good care in time, so to speak, to *Europeanise* his patrimony; and when he speaks of seeking the aid of the Courts, in order to maintain his rights, it is not exclusively of the Mussulman Courts of which he is speaking, for in this case Riaz would

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rub his hands a little too much. It is rather to the Reformed Courts to which the holders of the bills, as his representatives and assigns, or whatever you please to call them, will go for justice. This being the case, it is easy to explain in all their gravity the last lines of the Prince's letter to his nephew:—'For the sake of my country, still more than for my own, I hope that your Highness will welcome my present protest, and act upon it.'

Returning to this subject, the *National* says: "At the very same time that the Riaz Cabinet repudiates in the way we have seen the claims of Prince Halim, which have now passed away from him into the commercial world, it authorises the ex-Khedive Ismaïl to put up for public sale, by certain well-known intermediaries, several new lots of his territorial property in Egypt, although, according to the terms of the preliminary report of the Superior Commission of Inquiry, and of the Khedivial Decree of August 18th, 1878, all this property should come back to the State, as having been acquired with the money yielded by various European loans, that is to say, with the money of the State. By a singular and curious coincidence, amongst the lots may be found certain property acquired by the ex-Khedive from Prince Halim, so that we may say of the Ministry and Controllers, with perfect truth, that they strip the *bonâ-fide* seller to enrich the *malâ-fide* buyer."

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CHAPTER XVII.

SPECULATION IN EGYPT.

IT was stated in a "Society" journal in December last, that Sir George Elliot, Bart., M.P., who was described as the richest commoner in England—having an income of at least £400,000—had started for Egypt, empowered by a syndicate of capitalists to invest some five millions sterling in buying up properties in the Valley of the Nile. Sir George was known to enjoy the confidence of Lord Beaconsfield; and the reasonable inference was that the mission of the millionaire was a political as well as a financial one. Through him England was preparing to buy back the influence, which the recent policy of this country had lost in the ancient land. It seems that it was time for Sir George and his millions to be on the move; for Russia was already *en route*. According to the *Novoe Vremya* the Russ is determined to buy a strong footing. This is the statement:

"A few days ago (December, 1879) several wealthy Moscow cotton manufacturers—Messrs. Hludoff, Konshin, Tretiakoff, together with the Exchange broker, Beer, the representative of Baron Knoop, Messrs. Lamin, Soldatenko, Morosoff—and others proceeded to Egypt in order to buy up the whole cotton crop of the present year, as also to lease land for the purpose of establishing cotton plantations.

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The increasing demand for cotton material was the principal cause of our Russian cotton manufacturers conceiving the idea of getting possession of the cotton industry in Egypt, which is connected with our Black Sea ports by regular steam communication, and which, after the South American States, represents the most favourable climatic and other conditions for the growth of the best quality of cotton. Of the 10,000,000 bales of cotton annually collected from all parts of the globe, 2,000,000 bales fall to the share of Egypt, and the quality of the Egyptian cotton is considered to be of the highest. Undoubtedly, the whole quantity of cotton at present produced in Egypt is far from being sufficient to satisfy the demands of our cotton industry, which ten years ago amounted to 200,000,000 roubles per annum."

To this the *Pall Matl Gazette* replied:

"The attractions of Egypt for Russian among other foreign dealers in cotton, are no doubt very great, but the latter part of the above statement is somewhat absurd. Russia, during the past season—one of considerable activity, too—consumed only 500,650 bales of cotton, which is but a quarter of the produce of Egypt, as stated by our Russian contemporary. This estimate of the production of cotton in Egypt is at best a loose one, and is probably excessive; for the total exports from Alexandria seldom exceed 400,000 bales, and were last season only 260,000 bales. There is at the same time room for an increase in the growth of cotton in Egypt sufficient to supply Russia many times over; and a settled Government will assuredly attract not only Russian but other European settlers, with great and far-reaching results."

The activity of the Russians in Egypt has other objects than that of the growth of cotton. Something very menacing in the future to the influence of England—possibly to the safety of her shortest water-way to India—underlies the activity of the Moscow cotton manufacturers. Even

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now pretensions are peeping through the cotton bales. A newspaper correspondent, writing from Alexandria, describes a very notable incident of recent date:

"During the visit of the Russian ironclad *Minime* to this port, bearing the flag of the Commander-in-Chief in China, the Admiral and his officers stayed at Shepheard's Hotel, in Cairo. The band which plays at dinner in the season having as usual finished its performance with 'God Save the Queen,' this was taken as an affront by the Russians, who, sending for the manager, asked whether he had not remarked their presence, and demanded an explanation. The manager could only say that what had taken place was in accordance with the custom of the house; at the same time he politely expressed his regret that the musicians were unable to play the Russian national anthem also, which they would be happy to do if the Admiral would only give them an idea what it was like. This solution was not deemed satisfactory, and the Muscovites left."

This little hotel contention was of course much to the taste of the Khedive Tewfik Pasha, or rather of those who guide him. "The powers that be" in Cairo are inheritors of Ismaïl's policy; and they perceive in the anxiety of all the Great Powers to have a finger in the Egyptian pie, elements of discord that may be used in resistance to the domination of England and France. The present Egyptian Government will welcome European millionaires, because the contentions of these speculators of various nations will enable them to continue in power; but the Egyptian public opinion, which is in rapid course of formation, will watch the endeavours of European Cabinets to buy their way into the Valley of the Nile, for the purpose of fighting out the Eastern Question there, with angry countenances. Riaz Pasha is already warned—hence his letter, to which we shall refer presently. (*See Appendix* VIII.)

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England and France imagined that, by placing a puppet on the Viceregal throne, they would be left in quiet possession of the country. M. Waddington, who is chiefly responsible for this blunder, must have seen already the error of his ways. It is the weakness of Tewfik which has tempted the Powers to transfer the battle-ground of the Eastern Question from the Bosphorus to the banks of the Nile. It is this weakness of the head of the Egyptian Government which has set Egyptian schemes agog in Vienna, Berlin, and Rome; and which threatens to raise such a hurly-burly against all Europeans among the native population as may culminate in a violent and bloody outbreak.

Egypt wanted a strong independent Government; and England, yielding to the pressure of France, consented to insist with the Porte that a weak one should be installed, even in violation of the Mahometan law. We are now about to witness the disastrous consequences, in a series of struggles for influence at Tewfik's distracted Court, that are only too likely to end in a rising against all European influence. And who will blame the Egyptians when they cast out Ismaïlites and speculators, and claim to be governed by their legitimate ruler—a tried liberal statesman, able to maintain the dignity and self-respect of his subjects, and, at the same time, to put an end to the intrigues of Powers that have no real interest in the country? Such a revolution alone can re-establish British influence on a solid foundation. And this is the opinion, we venture to predict, which Sir George Elliot, and the would-be concessionaries of the Egyptian railways, brought back to the British Government in February.

On the 23rd of February, Riaz Pasha addressed a remarkable letter to the Public Debt Commissioners of Egypt. (*See Appendix IX.*) It is ingenious, wily, cunning. The Turk appears in every line of it, It is brimful of good intentions and superb aspirations. The

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well-being of Egypt is his Excellency's first care. He is longing to be the saviour of his country; but obstacles are being constantly cast in the way of his benevolence. He points out that the delays occasioned by the rivalries or exigencies of the fourteen Powers who keep a finger in the Egyptian pie, vex his soul, because they make the settlement of the financial difficulty more hazardous. He points out that the recommendations of the Investigation Commission have been put in force as regards a surtax on Ouchouri lands, that the personal taxes have been abolished, that the agriculturists have been exempted from trade licence, that many small and galling taxes have been sacrificed, and that the crying evil and scandal—the salt duty—has been converted from a capitation tax into a duty on consumption.

These are reforms, no doubt, and Riaz Pasha is the man to make the most of them. He asks whether he has not boldly faced the troubles incidental to the abolition of the Moukabalah? He assumes finally the position of a man who has done his utmost to meet the demands of Egypt's creditors; and who has a right to claim the consideration due to a national benefactor. Did he not in December and January pay £1,100,000 to the creditors of the Non-Consolidated Debt, and thus get rid of the mortgages in the way of paying off the Domain Loan? Has he not settled the claim of the Grand Syndicate? Has he not achieved a triumph in disposing of part of Messrs. Greenfield's claim? Has he not appointed Commissioners to value all the salable property of the Government? To be checked after these achievements by the refusal of Messrs. Rothschild to pay the balance of their loan, until the Domains mortgaged to them under it are declared to be free from taxation, is hard; but it is harder still to find that even when the Rothschild balance is handed over the assent of fourteen Powers must be obtained to its distribution among Egypt's creditors.

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Granted, the position in which Egypt is placed is most unfair. Delay means the swelling of the amount of Floating Debt to be paid, by the ever-accumulating interest of twelve per cent. It means, moreover, the continuation of a financial crisis which profits only a score of bowelless speculators in Cairo, Alexandria, Paris, and London.

The argument that Riaz Pasha derives from the predicament in which he is placed is, that the international principle paralyses all the elements of Egyptian prosperity; and that a Government unable to make laws cannot long continue to exist. He declares that he is ready to accept either a limited independent power of legislation or a power exercised in concert with the chief European Governments; or he is prepared for a Commission of Liquidation, provided it will act promptly. He would prefer a liquidation scheme framed by himself and his colleagues, and submitted to the Powers. In any case, he maintains that he has done his best, and that the responsibility of delay rests with Egypt's European masters.

We repeat, all this is very ingenious, and fairly well calculated to hoodwink the European public, who do not trouble themselves to study the Egyptian situation deeply. But to all who are behind the scenes: to all who have had occasion to study Egyptian politics closely: to the few who have mastered the details of such iniquities as the confiscation of the properties of the succeeding son of Mehemet Ali, to which Riaz has not scrupled to lay his hand; and to persons in receipt of direct communication from Upper and Lower Egypt—this letter to the Public Debt Commissioners is a document worthy of a Mouffetish. It should be enough to all honourable minds that Riaz Pasha has consented to be the instrument of that act against which Halim Pasha has entered a protest. The baseness of it is only equalled by its clumsiness; since nothing could have been more ably devised to raise against Egypt a host of European armies whose voices

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neither Mr. Baring nor M. De Blignières together, could drown.

But this act is only one of many that lie under the veneer of prosperity by which the men now in power in Cairo are endeavouring to hoodwink Europe. It would, indeed, be well to get rid of the International principle in the Government of Egypt—but only when a strong, honest and thoroughly reliable native administration is ready to take the responsibility of independent government. Such an administration does not exist at present; nor can it until the character and powers of the head of the State command the respect and confidence of the Egyptian community, native and foreign.

FINIS.

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APPENDIX I.

REPORT OF THE CONTROLLERS.

CAIRO, November 6, 1879.

MONSEIGNEUR,—Appointed Controllers-General by your Highness's Decree of September 4th, we hasten to study how we could best render ourselves useful to the Egyptian Government.

The functions which we were called upon to fulfil by your Highness did not imply any direct administration of the country, but imposed upon us the duty of indicating to its Ministry, without interfering with its liberty of action, the measures which the mutual interests of the country and its creditors demanded. Animated by the earnest desire of supporting the views of your Highness, by giving our help to the Ministers, to whom you have entrusted the care of realising the efforts, we inquired first of all what was the nature of the preliminary measures necessary, so as to prepare for the liquidation of the liabilities left to the Government of your Highness by the preceding *régime*.

We need not recall that on the 6th of April, 1876, a Khedivial Decree proclaimed that the Egyptian Government was obliged to suspend the payment of the bill on the Treasury, and to reduce the interest. The same Decree announced that the Council of Ministers was preparing a financial combination to settle the Egyptian Debt. To realise this plan various decrees have been promulgated, but they all possessed the double inconvenience of not ensuring recognition as inviolable by the Tribunals of the Reform, and of not settling the general state of financial matters. Admitting that the Government could not possibly meet all its liabilities, the financial position could only be arranged by means of a special liquidation law; a special law rendered necessary in this instance because it was not the question of the bankruptcy of an individual, but the insolvency of a Government.

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If, as a matter of fact, we had to deal with the bankruptcy of a merchant, we should find in the Egyptian code special rules restricting the rights of the creditors, and organising the management of the estate, which is the guarantee that all the creditors hold in common in such a manner as to prevent its being wasted or compromised.

But the Egyptian laws, like the laws of all other nations, do not provide even for the momentary or partial insolvency of the Government.

When, however, this state of insolvency does exist, it is nevertheless urgent to ensure among all creditors an equitable division of the assets that are accessible, and to prevent the creditors from impeding the welfare of the general concern by application of their individual rights, and by levying distress. Thus, in all cases of an analogous description, a special law has supplemented what was lacking in the common law.

As elsewhere, so also in Egypt, a similar law is necessary, and even more than usually indispensable; for in Egypt the law itself gives the State creditors rights of a more extensive nature than is generally the case with holders of Government Bonds.

But, as the necessity of this law is self-evident, its promulgation occasions, in consequence of the Treaty of the Reform, special difficulties.

The international tribunals will only admit the obligatory nature of a law promulgated by the Egyptian Cabinet, if that said law be recognised by the Powers who participated in the judiciary reform.

We should have been pleased to suggest that your Highness should confide the preparation of this law to a Committee constituted with the approval of the principal Powers interested in the matter, and endowed with legislative powers, restricted, however, to the settlement of the claims of the creditors.

The advantages attending this method of proceeding, and the necessity of conferring legislative powers on the Committee, were generally acknowledged, but there was a diversity of opinion as to the limitation of the powers the Committee was to exercise on any given subject.

We participated in the negotiations which were carried forward on this subject; but to have awaited the result would have been to retard for long our departure for Egypt.

It would be very inconvenient to leave unsettled interests relating to a question which has been held in suspense for four years. We, therefore, beg your Highness to call upon your Council to prepare for the general settlement of the financial situation.

The materials for such a settlement have already been collected by the Superior Commission of Inquiry, and doubtless it is still possible to take into consideration at least a portion of these suggestions made by this

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body. The events which have occurred since that date will render a new investigation indispensable, and this should be commenced at once, and we will be pleased to associate ourselves with this new effort.

When the new scheme of settlement shall have been elaborated, if a Commission of Liquidation is constituted, this scheme can be submitted by the Egyptian Government to the Commission, and it will serve as a basis for them to work upon.

If this is not done, judging that the duty of the Government is to do all in its power to put an end to the present state of confusion, which is fatal to all interests, and to distribute among its creditors all the resources which it possesses, we advise the Government to promulgate the following regulations, and while awaiting the adhesion of the foreign Powers, ensure their execution so far as those among the creditors who shall have accepted the terms are concerned.

We beg your Highness to request the Council of Ministers to prepare at once, and with the least possible delay, the Budget of the receipts for next year, as also the budget of the expenses of the Administration. The amount of the funds available will then be known, and they can then be distributed accordingly, to meet the various Consolidated Debts.

As for the holders of the Consolidated, the Decree of the 15th November last attributes to them the land at the disposal of the Domains Loan; for the amount of their debts, it seems to us that it would be wise to hand over securities bearing interest, and to be reimbursed at a given date. There are several difficulties in the way of the payment of the Domains Loan. We have, with the contractors of this loan, seen how they could best be raised, and we shall have the honour to submit to your Highness some special propositions on this subject.

The principal difficulty arises from the mortgages having been made on the Domains before these said Domains were offered as guarantee for the loan. We should have wished the Committee entrusted with the liquidation to have had the power to efface those mortgages, if such effacement were considered necessary to a just division of the available resources among all the creditors, and if the Egyptian Government were not bound to apply the strict letter of the law in a case not foreseen by the common law. An absolute denial was given to our suggestions in this direction, and Article 4 of the Decree of the 15th November guaranteed to debtors who had judicially obtained mortgages before the 3rd February, 1879, the full exercise of their rights. This full exercise implies the payment of the debts, so far as the sale of the lands mortgaged will allow.

But the interest of the Government, as well as of the creditors, is to

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keep within bounds so far as possible the alienation of landed property. In fact, after each alienation, the contractors of the loan propose to retain a sum equal to the disadvantage done by this alienation; that is to say, the sum necessary for the amortisation, by the ordinary methods of the Bourse, of the shares the service of which were assured by the revenue of the property sold. The sums thus kept back will, doubtless, exceed the sums of the sale. On the other hand, if the property be mortgaged for a sum exceeding its worth, by disinteresting these individual creditors, they would receive to the prejudice of the other creditors more than they had any right to expect. We believe, therefore, that it would be wise to divide the creditors into two categories.

1st. Those who are guaranteed by mortgages on lands, the worth of which is recognised to be greater than the amount of the debts raised on them. These debts should be paid without having resource to the sale of the property, and the majority of debts are in this first category.

2nd. Those who are guaranteed only by deeds, the amount of which exceeds the value of the property mortgaged.

It is our opinion that the Government should not seek to avoid the sale of these properties, which are, moreover, few in number, by deducting from the available funds of the loan the amount of the debts in question. The full exercise of the rights which the creditors hold by their mortgages, only gives them claim to the price of the sale of the properties. If the price of sale is below the amount represented by deeds, or if there exist a class of privileged creditors, the mortgage-holders are, for the portion of their debts not covered by the quota of the price of sale, in the same position as the *créanciers chirographaires*. If the mortgage-holders were entirely paid off by means of the funds attributed by the Decree of the 15th of November to the Non-Consolidated Debt, an ill-feeling would be created among the mass of creditors as among privileged creditors. If properties be sold, the money resulting therefrom will be distributed by tribunals, and the privileged creditors will be communicated with in due order; they will be paid before all others, and without delay.

We cannot help perceiving, Monseigneur, that the advantages given to the creditors whose mortgages date from before the 3rd of February 1879, will cause legitimate disturbances; but it has not depended on us that the Government has not been free to apply the principles of proportioned equality laid down by the Commission of Inquiry with regard to the redivision of the resources at its disposal. We have been able only to protest, in the name of the interests of the Egyptian Government and of

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the majority of creditors, at the decision that has been arrived at. We are of opinion that this decision has considerably aggravated the difficulties to be overcome before undertaking that work of reform which is the only means of safeguarding the future, after having paid off the claims of the past.

We are, Monseigneur, with profound respect, &c., &c..

E. BARING.
E. DE BLIGNIERES.

To his Highness the Khedive.

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APPENDIX II.

THE TEXT OF THE DECREE ABOLISHING THE MOUKABALAH.

Art. 1er.—La loi sur la Moukabalah est définitivement abrogée.

Toutes les dispositions de cettè loi, sauf celles qui sont réservées par l'article V. du présent décret sont annulées.

Art. 2.—L'impôt sur les terres Kharadgis et Ouchouris est ramené à son taux primitif tel qu'il était avant l'effet des réductions résultant du paiement de la Moukabalah.

Art. 3.—Lorsque le taux de l'impôt foncier sera fixé par suite des opérations cadastrales, actuellement en cours d'exécution, des dégrèvements seront accordés aux propriétaires des terres pour lesquelles la Moukabalah aura été payée en totalité ou en partie.

Ces dégrèvements seront proportionnels aux sommes effectivement payées.

La Commission mentionnée dans l'article suivant, est dès à présent autorisée à instituer des comités qui dresseront, pour chaque propriété, l'état des paiements qui ayant été réellement effectués sur la Moukabalah, devront donner lieu à des dégrèvements.

Ces comités détermineront la valeur réelle des versements faits en titres. Ils devront, en outre, déduire du montant des paiements le chiffre des arriérés sur les impôts fonciers dus par chaque propriété.

Art. 4.—La Commission instituée par le décret du 27 décembre 1879, pour étudier les questions se rattachant à l'impôt foncier, devra présenter un rapport au Gouvernement indiquant la méthode la plus pratique et la plus équitable à suivre pour accorder ces dégrèvements au fur et à mesure de l'achèvement, dans chaque province, des opèrations cadastrales.

Art. 5.—Toutes les dispositions de la dite loi relatives à l'acquisition de la propriété de terrains par les personnes ayant payé la Moukabalah

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sont maintenues. Le paiement même partiel du dit impôt suffit pour donner droit à la pleine propriété des dits terrains.

Les possesseurs de terrains Aouassieh qui en deviendront propriétaires en vertu du présent article, cesseront d'en percevoir la rente viagère inscrite au Rouznameh.

Art. 6.—Toutes lois antérieures et contraires aux prescriptions du présent décret sont abrogées.

A correspondent, writing to the *Observer*— the organ which has supported even a British protectorate— says of the summary and in equitable suppression of the Moukabalah: "The Moukabalah has been suppressed by a stroke of the pen, without any consideration as to whether those who paid this impost have any rights or not. The most absolute of Viceroys could not have acted differently. Nay, he would have used certain forms, as a Viceroy is, after all, responsible for his actions, while the Controllers are covered by the responsibility of the Ministry whose actions they direct. The Moukabalah, according to the idea of its real authors, was a guarantee against the arbitrary power of the ex-Khedive, for which the country has paid a sum of £16,000,000. I am not opposed to the abolition of the Moukabalah, but I could have wished that it had been replaced by some other legislative measure, which would have guaranteed the taxpayers against any arbitrary imposition of taxes. As things are, no account is taken of the sacrifices which have been made by the population. The Unified Debt is secured according to the scheme of the Controllers, a minimum interest of 4 per cent., which is to be raised to 5 per cent. if the revenue of Egypt should provide a surplus. There will unquestionably be a surplus. This 1 per cent. additional would have sufficed to provide an indemnity which might have been awarded to the taxpayers who paid £16,000,000 on the strength of the Moukabalah Decree. If, indeed, while assuring interest at the rate of 4 per cent. to the Unified Debt, the controllers had proposed to devote any surplus to the liquidation of the general debt, the measure which deprived the country of £16,000,000 paid by it might have been represented as essential to the liquidation of a debt which presses very heavily on the population. The *amortissement*, which would have been thus provided for, might reasonably have been regarded as an equivalent for any direct indemnity to the landowners who have paid the Moukabalah. There are numbers of Europeans who have either paid the Moukabalah themselves, or who have bought lands which were supposed to be relieved from the land-tax, in virtue of their payments to the Moukabalah. The Europeans whose interests are affected by the suppression of the Moukabalah intend to bring the question before the international tribunals. The tribunals are fully competent to take the application into consideration. They have not

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got to discuss the question whether the Government has a right to suppress the Moukabalah, but whether the suppression constitutes a claim for compensation. The Tribunals must, I think, necessarily decide in favour of the European landowners who have paid the tax. The native landowners, on the other hand, not being in a position to appeal to the Courts, will have no redress. It follows that the reform—or, rather, the mode in which the reform has been effected—is unpopular in the country, and causes the European control to be regarded, not as protecting the country, but as sacrificing its interests to those of foreigners. Still I have no fear of any active agitation against the measure. There will be no overt opposition, but the impression left by the difference of treatment accorded to the foreign and the native landowners who have paid up the Moukabalah is unfavourable, and must remain unfavourable, and will therefore prove detrimental to the moral authority of the Anglo-French Control."

The *Egyptian Gazette* (March, 1880) has received the following from a valued subscriber, whose position entitles him to speak with authority and a full knowledge of the circumstances :

"The arrangement known as the 'Moukabalah' was instituted in the year 1871 at the advice and suggestion of Nubar Pasha, then Chief Minister.

"The whole proceeding has been so much misunderstood that it requires explanation. In 1871 the Egyptian Government was in urgent need of money, the Floating Debt was beginning to cause serious embarrassment, and it was already evident that these liabilities, increasing with the rapid strides of compound interest, required either immediate settlement, or conversion into a Funded Debt.

"It was resolved to fund the debt.

"Egypt had hitherto experienced no difficulty in borrowing from abroad at exorbitant rates of interest; even two years later she succeeded in raising a loan of thirty-three millions ; but in 1871, immediately at the close of the Franco-German War, the moment was peculiarly unfavourable, and after fruitless tentative negotiations, the project of a foreign loan was abandoned. Yet the need was urgent, and it was resolved to raise the loan in Egypt.

"The amount required was twenty-seven millions, and it was raised in the country at a cost which, when all is said and done, was cheaper than that at which the same amount could have been raised abroad.

"Eight per cent. upon twenty-seven millions was £2,160,000, and this amounted to about half the land-tax. In consideration of the payment of twenty-seven millions, distributed over a term of twelve years, the land-tax was reduced by one half.

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"This was the Moukabalah. It has become the fashion to speak of it as a simple arrangement to encash in advance six years' revenue from land-tax in exchange for a permanent reduction of fifty per cent. on that tax; that it had this result cannot be denied, for twenty-seven millions was practically six years of land tax, and eight per cent. on this amount was practically half the annual income derived from that source of revenue; but the fact which is lost sight of in thus stating the transaction is, that the debt had been previously incurred, the amount had already been borrowed, a far higher rate of interest was already being paid, a greater amount of revenue was yearly being sacrificed as interest on Floating Debt, and the scheme proposed by Nubar Pasha was simply the cheapest available means of meeting a debt for which he was not responsible.

"As the loan was raised for the express purpose of settling the Floating Debt, it was stipulated that Bonds of that debt would be taken in payment as cash.

"Had the scheme, as originally proposed, been carried out, had the funds so obtained been devoted (as Nubar Pasha intended) to the withdrawal of the Treasury Bonds, Egypt would have repurchased a heavy liability on terms exceptionally favourable. That the money was not so employed, that the Floating Debt remained, that two years later a new loan became necessary, is matter of history, but the fact remains that the Moukabalah, as devised, was as sound and as economical a proceeding as the unfortunate condition of the country permitted of.

"To compare it with two other precisely similar transactions:—The interest of the 1873 Loan was just as much payable out of the resources of the country as the interest of the Moukabalah. The one was a sacrifice of the revenues of the railway, the other was a sacrifice of half the revenue from land-tax. When the Domains came into the hands of a European Ministry, what did they do? The revenue from those lands was a new source of revenue to the country, but they had still to meet the Floating Debt. The European Ministry repeated in another form the operation of the Moukabalah, that is, they sacrificed the revenues of those lands to raise money of which they had urgent need.

"The Moukabalah was nothing more.

"From the above statement of facts, it is evident that to speak of the 'abolition' of the Moukabalah is a misuse of terms. A loan may be paid, compromised, or repudiated, but it cannot be abolished, and it would be as practical to declare the 'abolition' of the Privileged Debt guaranteed upon the Egyptian Railways as of the Moukabalah guaranteed upon the Egyptian land tax"—or, we would add, the Bonds given to Prince Halim Pasha, in payment of his inherited estates.

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APPENDIX III.

EGYPTIAN NATIVE AND FOREIGN POPULATION.

In October, 1879, a mass of figures was issued by the "Direction Générale de la Statisque," containing information that will be of great service to the Egyptian politician.

The first portion treats of the European population of Egypt, and it is startling to find that it amounts to something less than 1½ per cent. of the entire population, or 68,653 persons of all nationalities, including native *protégés*. Of this number nearly one-half claim Greek protection, while the French and Italians very nearly account each for one quarter, leaving only some 10,000 of other nationalities. Among these England heads the list with 3,800, Germany and Austria account for 3,300 more, and the remaining 2,000 are divided among ten other States, headed by 1,000 Spaniards, and finishing with 36 Portuguese. The men number nearly two to one. The statistics of births and deaths are almost valueless, as both the Greek and French Consulates seem to have withheld information. Passing to the native population, this section opens with the startling revelation that the number of yearly marriages is only twice that of the number of divorces. Proximity to the Mediterranean seems to be peculiarly detrimental to connubial felicity, for while the inland towns fall far below the proportion of the total, the four seaports of Alexandria Rosetta, Damietta, and Port Saïd show an excess of divorces over marriages.

The second portion of the statistics treats of agriculture, and is minute and voluminous. The following figures relate to public instruction and are interesting. It appears that the number of scholars at primary schools is 15,476, or 2·49 per 100 inhabitants—lower, that is, than any one of the 14 European States with the single exception of Russia. In addition, the municipal schools educate 3,007, and the Government establishments 1,095, the latter figure showing a significant diminution of

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nearly 50 per cent. since 1873. The Mosque of El Azhar, the University of Mahometanism, shows a nearly similar falling-off in the number of students—11,095 in 1875 having fallen in 1878 to 7,695. The girls' schools tells a melancholy tale. In 1877, 448 girls are registered as obtaining the advantages of education, and in 1878 the number has fallen to 390. Assuming the sexes to be equally divided, this is about 15 in every 100,000 of the female population. The 68,000 Europeans educate 12,247 children of both sexes and of all nationalities and religions. Among them half are natives, but less than one-tenth Moslems.

Next comes the local Press. It shows more signs of new life than most institutions in Egypt. In 1856 there was one journal; in 1873 there were two; and in 1878, 27. Of these, nine are French, five Italian, seven Arab, three Greek, and the remaining three Arab and a European language jointly.

The English alone, among the important resident foreigners, are without a paper of their own.

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APPENDIX IV.

MANIFESTO OF THE EGYPTIAN NATIONAL PARTY.

(Translated from the Arabic.)

THE following manifesto has been stealthily propagated in Egypt. It is the work of a few mysterious and timorous persons who, acting in the interest of the late Khedive Ismaïl, call themselves "The National Party," but are not bold enough to print a single name. The manifesto is a demonstration against European intervention :—

CAIRO, 4th November, 1879.

At a moment of crisis, a moment when the very existence of the personal power exercised by the ex-Khedive was trembling in the balance, Ismaïl Pasha invoked the intervention of the Egyptian National party. This was the first time that this Prince, who never tolerated any other opinion but his own, allowed his lips, always the slaves of his thoughts, to pronounce those magic words which have electrified the people of Europe, and the meaning of which, when wisely interpreted, raises the enthusiasm of humanity, and saves nations by making men.

By this appeal to the *National Party*, which he knew existed, Ismaïl sought to save himself and his friends, to perpetuate his power, and this without making any of those concessions required to appease the tempest his conduct had raised.

This appeal was, however, made too late. No one answered.

To-day the Egyptian National party desires to assert itself. It seeks, by reconstituting itself in the face of the political world, to live independently, so that, as a party, it may save Egypt from the depth into which the country has been plunged by despotism and usury. This party has calculated that more than £60,000,000 have been pocketed by the financial intermediaries during the last reign, and their negotiations have burdened Egypt with a debt amounting to a hundred millions sterling.

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The initiative taken by the National party is a sacred duty, based on an indisputable right—on the right which every free, united nation consisting of five million inhabitants devoted to agriculture, laborious and submitting to the same civil and religious laws, possesses. The Egyptian nation may thus be described. It has lived and endured despotism for thousands of centuries, and, but for its industry, the fertile soil could not produce anything. This laborious people, now emancipated, will no longer tolerate slavery.

The National party proposes to raise the masses by progressive instruction, and appropriate to the customs and occupations of the inhabitants. The people should know its rights and its duties. Its education should be directed by members of its own nationality so far as that is possible.

Opposed to extreme measures, the National party witnessed with regret the diplomatic event which suddenly brought the preceding *régime* to a well-deserved termination.

But, while bowing before accomplished facts, this party cannot recognise a Government constituted by foreign influence as the expression of the aspiration and will of a country which no one deigned to consult. Such as it is, the Government has no real root in the country. It rests on an artificial basis. The Powers alone have helped its formation. The nation had no voice in the matter. A Khedive reigns at Cairo, but the supreme government of public affairs does not emanate either from him or his Ministers. Under such a *régime* Egypt is constantly responsible for the faults that others may commit, though she is weary of these foreigners, and is still, in spite of their efforts, on the road to that ruin which would have resulted from the continued reign of the overthrown Khedive.

The nation cannot accept a state of things which places her, without the power of appeal, under a tutelage that is dangerous to its autonomy, and exposes its wealth to the enterprise of irresponsible foreigners, in whose benefits she does not participate.

The nation feels young enough and strong enough to be regenerated by its own forces. On this it is determined. For this end it loudly claims the right to enjoy a national existence, and to confide its interests to the National Egyptian party, composed of capable and well-tried men, who, though silent yesterday, are now gathered in great numbers to form a band of patriots.

Before all, Egypt declares that she desires to liberate herself from her debt, though it was created without her approval, and she had no voice in settling the terms. The National party lays special stress on the iniquitous fact of its exclusion, when it was a question of involving the

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country in a huge debt. Though trampled upon, but not dishonoured, Egypt is able to meet its liabilities. The task of paying will be difficult, but she accepts its responsibility on the condition that the Powers will allow Egypt the freedom of devising her own means for the realisation of an equitable solution, and will not hinder the country when it attempts to carry out urgent reforms.

For this, it is necessary that the country should be administered by Egyptians, selected by their fellow-countrymen, and deserving in all respects the confidence of Egyptians.

The National party does not deny that the native communities may derive considerable benefits from the future assistance foreigners may give in a limited manner to certain branches of the administration. On the contrary, the party would always seek to obtain the services of enlighted persons who might be willing to lend their aid to the chiefs of the various Departments which constitute the Government of the country.

It will not, however, tolerate Ministers who represent some special European influence, for this should not exist in Egypt. The motto of the country is: "LABOUR, AND NOT POLITICS." The National party purely and simply repudiates all foreign interference, so far as the chiefs of the principal administrations are concerned, whose sumptuous emoluments absorb so large a proportion of the public revenues. It objects to that form of interference which was tolerated and enforced under the ancient *régime*, and which helped largely to bring about the ruin of Egypt.

The National party represents by all its affinities, its aptitudes and aspirations, the Egyptian populations, whence it emanates, and which are subjected to the law and share in the fate of the country without restriction or any exception.

The numerous persons who take the lead in this party, have never ailed to recognise the excellent effects of the paternal and friendly advicef given by the European Powers to enslaved peoples who sought to enjoy wholesome liberty. Egypt, first among these, would not be ustified if she denied what is as evident as the noonday sun. But, while admitting the beneficial effects of so great and varied an influence, s ne desires to receive these benefits in doses suited to its powers of assimilation, and when she herself demands the same.

To prove, by its acts, that the National party, while affirming its existence, intends to seek the help of the real friends of the country in all difficult and delicate circumstances, it now proposes to explain loyally its position to the European Cabinets.

Nothing could be easier than for the populations of the Nile to obtain redress for their grievances, by following the historical phases that distinguish the life of the European nations now enjoying the liberties

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to which Egypt aspires. They might refuse to pay the taxes, and place themselves in open and legitimate opposition to the various authorities who govern them so badly.

No people could have a better right to act in such a manner than the Egyptians.

But violent means are repugnant to the National party, and it will only resort to them if driven to the last extremity. Egypt is a purely agricultural country. It is by the force of labour and of peace that the country will redeem itself by its own efforts, and it is with this result in view that that the National party has resolved to appeal to the Powers and the public in the present manifesto.

This manifesto of the Egyptian National party, to which the members have all, without exception, adhered, cannot unfortunately be signed by any of them, at least for the moment. Why should this reserve be necessary? Precisely because the Government imposed on Egypt by the Powers without the participation of the country can, without trial, without noise, transport, suppress, and ruin the families of the patriots who have united under the single flag of the National party.

Do these citizens lack in civic courage that the fear of persecutions can hinder them from fulfilling their duties? No. They would, and will, shed their blood without a murmur when this is necessary for the sake of so good and just a cause. But exile from which there is no return, death without glory or profit, thin the ranks of a party which needs all its strength to fulfil successfully the task it has undertaken.

On the other hand, Egypt is convinced that Europe wishes it well, and desires to preserve its administrative autonomy. Egypt is certain that its solvability and the good intentions of its children are not questioned by any one. The National party, which also entertains these views, and cannot stop half way through want of confidence in those who have every interest in developing on the borders of the Nile the very principles to which Europe owes its greatness, appeals solemnly to the Cabinets of the free and civilised world, and this supreme appeal will be heard because it will be understood by the peoples of all free nations.

If the foreign Governments would take the National party under its protection, guarantee diplomatically, its members from all arbitrary measures, from attempts against their lives, liberty, or rights, on the part of any present or future Egyptian Government, every Egyptian might then devote himself to the service of the country without fear of being molested or hindered in any possible manner.

On the establishment of this guarantee, granted as loyally as it has loyally been demanded, all the men who constitute the National party will publicly answer to the call of the nation, and accept the full responsibility of their works.

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The National party should be especially agreeable to the Chancellor, Prince von Bismarck, for he has recognised the great principle of the autonomy of nationalities, and should plead for this cause before the tribunal of nations.

At the proper moment the Committee will make itself known to the Prince.

Till then the National party would beseech the Powers not to adopt any definite measure which would be in antagonism to the present manifesto, without consulting them. On the conditions mentioned above it is ready to act.

If Europe is really desirous of acting in harmony with the language of its diplomacy, it will protect the National Egyptian party, and will grant its legitimate request.

Egypt, as it has already been stated, accepts all the debts contracted by its Viceroys, and will pay them all off.

But the nation, which has always paid, however great the sacrifice, has the right to claim the enjoyment of absolute control over all branches of public revenue and all sources of income which may be restored to the State. None of these resources, which should henceforth be national property, can be given as guarantee under any title whatsoever, and to whomsoever.

Therefore, the Egyptian railways should no longer constitute the guarantee for the fulfilment of the Goschen-Joubert Couvention. This would be the continuation of an unjust privilege, which the Khedive Ismaïl had not the right to grant, particularly when the Egyptian State, gravely compromised, was already, and in spite of certain legal quibbles produced at that epoch, in partial suspension, as the payments were partially stopped.

Further, this convention was, by its very nature, detrimental to the interest of those who, in lending their money, had confidence in the solvability of Egypt as their sole debtor. Ismaïl had neither the right nor power to create as he chose various categories of creditors; and still less had he the right or power to create holders of Preference Stock, and thus divert from the assets of Egypt certain branches of public revenue, particularly as during fifteen years he had, by means of a skilfully contrived confusion, absorbed himself all the ordinary and extraordinary resources of the State, keeping the products of the loans, and increasing the responsibilities which he threw off from himself on the shoulders of Egypt.

Ismaïl Pasha did not possess any greater right to hand over any special estate or so-called private domain for the payment of some special debt; for these estates, excepting the family lands of the Prince, belong to the Egyptian Treasury.

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Nobody ignores the family property which belonged to Ismaïl before he came to power. Mr. Rivers Wilson, in his capacity of Vice-President of the Commission of Inquiry, should have been familiar with these details. All the Viceregal property acquired, under whatever pretext, since the accession of the Khedive up to the date of his deposition, belong to the nation, and should be restored to the nation.

This principle of justice was definitively consecrated by the protest and preservation embodied in the Act of April 25th, 1870, which the Sublime Porte submitted to the Powers, and which Lord Clarendon accepted both in spirit and in word.

The so-called Rothschild Domains Convention, due to the unfortunate initiative of Mr. Rivers Wilson, dealt with a loan of £8,000,000 on mortgages on the pretended domains of the Viceroy, is annulled by the same reasons and motives which had already been produced with respect to the Goschen-Joubert Convention.

Everyone will understand the sovereign injustice that there would be in persisting in the maintenance of financial arrangements of such a nature; they are opposed to reason and to the sense of equity.

The National Egyptian party cannot better complete this manifesto than in submitting to the public a programme of the honest and victimised debtor, who is put in the place of the author of the sterile debts—the programme, in a word, of Egypt itself, the nation which has always preserved the integrity of its policy with respect to the ultimate settlement of the entire financial position. This is the scheme:

(*a*) The restoration to the Egyptian State of all the Domains called private domains—excepting the family lands and property.

(*b*) Abolition of the privilege accorded to the holders of Preference Stock by the reservation for their benefit of the railways as guarantee, under whatever pretext, of this combination.

It should be well understood that if the English creditors persist in enforcing the convention by which Ismaïl obtained an enormous sum diverted from the Treasury, so as to preserve for themselves the product of the railway lines, they must content themselves with that source of revenue, whatever it may be, without insisting on the arbitrary and unjust concurrence of the unfortunate tax-payer, whose money is destined to defray the cost of the Unified Debt.

No privilege binding the will and labour of the people can be tolerated.

(*c*) A general and simultaneous conversion of all the debts, whether Consolidated or Floating, private or State debts, that have been recognised, into one single security, into a Rente, bearing interest at four per cent. per annum, guaranteed by the nation, the entire national property serving as security. This Rente will be given in exchange for the old

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documents, or against proved debts, at an equitable rate, and as a final liquidation of all the pretensions, claims, &c., the bearers of ancient securities, &c., may have against Egypt or its Government.

For this purpose the General and Floating Debts, and those which have been erroneously called special or private debts, shall be united together, and will constitute a grand total, which, however, shall be increased by the sums judged equitable and necessary to compensate the differences created by this conversion. The Loans of 1864, 1866, and 1867, in great part reimbursed and represented by a sum of about £2,500,000, are exempted, and will be paid off in the regular manner, with reduction of interest to five per cent.

As the receipts of Egypt, considering the economic condition in which the agriculturists are placed after so many exactions, cannot normally exceed £6,000,000 (a minimum already somewhat elevated) the budget of the expenses of the Government is placed on an economical, reasonable, but not parsimonious footing. Nevertheless, a margin will be reserved so as to constitute the foundation of a considerable amortisation fund, so contrived as to extinguish the debt of Egypt in a certain number of years.

(*d*) An international control of a special and temporary character, consisting of three members chosen by the Powers, and accredited to the Egyptian Government, shall watch over the interests of the debt, without any other power of interference or administrative attribute.

The Controllers shall be in direct communication with the Egyptian Ministry, and their responsibility, *as that of the Government itself*, shall be specially defined in an International Convention, so as to avoid, by a strict observance of its clauses, all pretext whatsoever of foreign interference.

It would not be right nor flattering to believe that the Powers who are the most interested in the financial difficulties of Egypt, in consequence of the part which their subjects have taken at their own risk and peril—such as, for instance, France—would seek to influence other Powers less interested to insist on making Egypt pay what it cannot pay while seeking to reform itself.

The National Egyptian party declares that the populations cannot even support the present distribution of taxation, and that the system should be reformed and the taxes lowered at the same time. If this is not done the condition of the country will go from bad to worse, and a great portion of the land will remain uncultivated.

The peace and prosperity of a people cannot depend on the payment of a coupon at a purely fictitious rate, when the productive forces of the nation are opposed to such a rate of payment, and the author of the evil,

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who has accumulated immense wealth, has, by leaving the country under the sanction of the Powers, escaped all responsibility.

Egypt cannot allow itself to become a mere geographical expression, and the five million inhabitants who vivify the land cannot allow themselves to be assimilated to mere cattle over which shepherds are appointed according to the caprice of the moment.

The people who, by their assiduous labours and patient industry have produced the milliards spent during the sixteen years of the hardest dospotism, have assuredly won the right of receiving at the hands of the civilised world a little justice and equity.

All Egypt demands is to be treated as its brothers of Europe would wish to be treated, if they were placed in an identical position.

As the result of the general unification managed on the conditions described, Egypt, delivered from the complications and charges that ruin the country, would resume the exercise of its rights over all the branches of public revenue—would offer to its creditors, bearing the one Rente of the country, guarantees which would be rendered all the more effective, as the bondholders would all be placed on equal terms, without any exception or privilege.

These fundamental advantages, which will be apparent to all, will cause a rise in the value of Egyptian Rentes, and prevent, once and for all, those great fluctuations on the financial market, and put an end to the manœuvres of speculators.

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APPENDIX V.

EGYPTIAN EXPORTS, ETC.

THE *Times'* correspondent at Alexandria—under date December 20, 1879,—gives the following very rosy account of the state of Egyptian exports and imports, and of the post-office administration :

"A volume of commercial statistics has been recently issued by Riaz Pasha, the Minister of the Interior, as a supplement to the General Egyptian Statistics which were summarised in the *Times* two months ago. They cover the years 1874, 1875, 1876, 1877, 1878, and, thanks to the kindness of a leading Alexandrian house, I have been able to complete them down to the month of November of this year. They are interesting from two points of view. They not only show the Egyptian bondholders what is the real wealth of the country, but they also furnish a complete answer to our Continental critics who say that England's interest in Egypt is a selfish and purely Imperial interest, only caring for the Suez Canal. The greatest year of exports was 1876, when, with cotton at a low price, the aggregate value of products that left the country reached almost fourteen millions sterling. This fell in 1878 to rather over eight millions, and the difference was solely due to poor crops, which resulted from a poor Nile. It should never be forgotten that Egypt is a purely agricultural country, the wealth of which lies in her cotton and sugar and corn, and the annual fortune of which depends on the height of the river in its annual flood ; and her friends should also bear in mind that many new cultures might with advantage be introduced, and the river itself controlled by dams and high-level canals. The poor results of 1878, however, will be more than compensated by the abundance of 1879. Eighty more ships have left Alexandria this year than last ; already the proportion of

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cotton and cotton seed is as three to two, that of beans is as five to two, and ten times as much grain has left the country. The prosperity of 1879 will restore the average, which will stand for exports at over twelve millions sterling a year. The imports do not, of course, run so high, but they are more regular in amount. The greatest variation is from £5,650,000 in 1875 to £4,500,000 in 1877. Cotton goods and coal are the chief items in the list of imports. Thus the aggregate of the imports and exports of Egypt amounts in value to about £17,000,000. Of this England in the statistics absorbs two-thirds, doing five times as much trade as France, who comes second in the list, ten times as much as Austria, twelve times as much as Italy, and more than 100 times as much as Russia. Yet these are the Powers that seem surprised at the interest England takes in Egypt.

"Among the administrations conducted by Englishmen the Egyptian Post-office is the greatest success. I have before me a copy of the Postal Budget for 1879 and the proposed Budget for 1880, and they show most satisfactory progress, both in economy and efficiency. The surplus revenue for 1879 is about £9,000; that promised for 1880 is about £10,800. Yet important changes in favour of public convenience are to be undertaken. A regular service of postal-boats from Assiout, where the railway ends, to Assouan, at the foot of the first cataract, is to take the place of the old-fashioned running postmen. A camel-service is to be introduced in Nubia as far as Wady Halfa. Fifty-eight new post-offices are to be opened in Lower Egypt. A weekly mail-train is to run from Cairo to Benha in communication with the homeward Indian mail, and the Cairenes will no longer have to hurry off their letters to Alexandria a day beforehand. The Egyptians seems to use the post very considerably, as Mr. Caillard estimates the annual sale of stamps at considerably over £30,000. The absence of paper money creates a special revenue, as the Post-office transmits all the bullion necessary for the commerce of the interior, and £29,000 is thus obtained. It is estimated that fifteen millions sterling will have been thus carried without the loss of a single sovereign. Most of the foreign Powers have followed the example of England and abandoned their right to a special Post-office, but France and Italy still cling to this anomalous extra-territorial right."

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APPENDIX VI.

THE EGYPTIAN BUDGET FOR 1880.

THE following is the Egyptian Budget for 1880 :—

RECEIPTS.

		£E.
Direct taxes :—		
Land tax		5,227,338
Other direct taxes		297,238
Indirect taxes and revenues :—		
Justice	180,548	
Customs	622,528	
Post-office	75,951	
Salt	100,000	
Octrois	247,655	
Other indirect taxes	303,900	
		1,530,582
Railways and telegraphs		1,079,500
Postal packet service		128,100
Revenues from other administrations of the State		153,041
Miscellaneous taxes		40,599
Miscellaneous receipts		30,358
Repayments of advances made to the peasants		29,935
Provision for pensions of *employés*		44,911
Total		8,561,622

EXPENDITURE.

	£E.
Tribute	681,486
Public Debt	4,238,592
Civil List, &c.	315,000
Khedive's Household	41,822

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Council of Ministers			5,796
Ministry of Eoreign Affairs			11,326
Ministry of Finance			531,944
Ministry of War :—	£E.		
Army	360,000		
Navy	54,734		
			414,734
Ministry of Public Instruction			59,415
Ministry of the Interior			480,883
Ministry of Justice			244,300
Ministry of Public Works			447,871
Ministry of Railways and Telegraphs			442,660
Customs			49,828
Post-office			64,739
Postal Packet Service			127,836
Salt			21,562
Government Warehouses			15,092
Reserve for unforeseen expenses			150,000
State Pensions			216,736
Total			£8,561,622

It will be observed that the returns are in Egyptian money. The Egyptian pound is to the English pound in the proportion of 100 to 97½, so that, for instance, the receipts are fixed at about £8,700,000.

The *Spectator* having particularised the items of the last Egyptian Budget, exclaims :—It seems impossible that so infamous a system of plunder should last; but Egypt is very small, and its population very weak, while France and England are in any one moral sense 'Great Powers!'" It is indeed hard that while £4,350,000 is put aside for the National Debt, "only half of which reached Egypt," only £3,300,000 is allowed for the expenditure of the country itself. £60,000 for national education is a beggarly sum, especially when £20,000 are deducted from it for "expenses"—that is, management of the Educational Department. But the *Spectator* should bear in mind that if only half the one hundred millions which Egypt owes, reached the land of the Nile, at any rate they were taken from the Bondholders' pockets. The squandering, the misappropriation, and the extravagant commissions, were the dirty work of the negotiators, and of the late Khedive; the actual lenders were the dupes, just as the Egyptian people were. The persons who should be made to suffer to their last piaster are those who have benefited by the plunder, and not the lenders who have been deceived, and whom it is now sought to despoil.

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APPENDIX VII.

THE SALT TAX.

THE Commission d'Enquête, in its report, said of this tax as follows :— "In the towns it is a capitation tax of nine piasters for each person over six years. In a village formerly of one thousand persons, although only eight hundred remain, the same amount has been paid, though two hundred of the inhabitants are gone. Suppose that in Alexandria fifteen or twenty thousand persons come from Upper Egypt, the salt has still to be taken in the localities from which they come." The unreasonableness of this tax need scarcely be dilated on. Why a man should be forced to take a certain quantity of salt, or, indeed, of any other condiment, whether he wanted it or not, is not clear on principle. Of course, the explanation is that the sale of salt in this country is a Government monopoly. The shores of Lake Mareotis and the land on either side of the Suez Canal are covered with salt deposits, from which the native can generally help himself, and were not the tax rigorously imposed in some form or other, the monopoly would be unproductive. Under the new law the age of exemption is extended, so that up to nine years of age the youthful Egyptian is no longer compelled to invest in this article. Provision is also made for the tax being fairly levied in accordance with the actual numbers of the population of each district.

Recent legislation has also dealt not less equitably with others of the many taxes by which the native Egyptian is oppressed. The Decree is dated the 17th inst., and is made on the report of the Minister of Finances. In the report Riaz Pasha refers to the fact that a very large number of taxes which produce but little to the State simply act as vexatious checks upon the industry of the people ; to others, the collec-

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tion of which costs more than the taxes themselves produce; and again to others, such as the personal or poll-tax, which in levying give rise to the greatest abuses. By the Decree dated the same day, the personal tax is abolished throughout all Egypt, as also the duty payable on marking works of industry other than articles of gold and silver, on the patents of weighers and money-changers, the tax on the sale of cattle at Alexandria, Cairo, and Suez, and the duty on weighing certificates, octroi duties on wool, and productions of the potteries; duties on affixing seals on passports. Brokerage duties on sales, duties on ovens, duties levied in slaughter-houses for guaranteeing the meat and marking the hides, taxes on the weighing of meat, on the bearers of licences as carters and donkey-boys, on rearing sheep and goats, are also repealed; as also stamp duties on the registry of public weighers, and a host of other petty taxes too numerous to mention. Under the Decree the professional tax, which is levied on everyone not assessed to the land-tax, remains in force, though at the reduced rate of twenty piasters a head. The theory of this tax is that everyone who is not a land owner must have, or at all events ought to have, some profession by which to live, and should be taxed accordingly. Octroi duties, road tax, weighing and market taxes are also abolished in the villages. Finally, the Decree remits to the persons liable all taxes due previous to 1876, an act of generosity which, considering that if taxes cannot be got in when they become due they can seldom be got in at all, does not cost the Administration much. To compensate for the loss to the revenue occasioned by the above-stated remissions of taxation, another Decree has been issued, under which the land-tax on lands of "Ouchoury" tenure is to be assessed in such a way as to produce an additional one hundred and fifty thousand pounds a year. The peculiarity of "Ouchoury" lands as regards their virtual exemption from taxation has already been pointed out. As these lands are held chiefly by the members of the Khedivial family, and the wealthier Pashas and Beys, the burden will fall on shoulders very well able to bear it, while the relief given will benefit principally the poorer classes. On this account the change will render the Khedive immensely popular amongst the poorer classes of his subjects.

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APPENDIX VIII.

PRINCE HALIM'S POSITION.

"WE extract the following from the *Terdjumani-Hakikat*, a Turkish journal of Constantinople. The article is published in the number of that journal which was published on March 1. We must first of all apologise for having been obliged to paraphrase rather than translate, for the genius of the Turkish language lends itself but badly to the rapid and precise style of the modern journalist. We can, however, guarantee the general correctness ot the translation :—

"'We have already spoken,' says the *Terdjumani-Hakikat*, 'of the position of Prince Halim in Egypt, with reference to the arbitrary reduction of his debt. This reduction, the Egyptian Ministers pretend, has been rendered necessary by the bad state of the Egyptian finances ; for our part, however, we think that it simply results from the spite that is felt against Prince Halim, both at Cario and Naples, on account of his excellent personal relations with the Sultan. We have said so already, and we repeat it. But on the present occasion we will go farther. We wish to place the despoiled Prince and the despoiling Government face to face, and compare them so that our readers may know definitely what to think of them. We wish to do this first of all, because there is not a single Ottoman subject who ought not to feel himself attacked in the person of Prince Halim. Why should the uncle of Ismail have been expelled from Egypt by the ex-Khedive? In virtue of what rights and powers which would seem to be inherent in the functions of the Governor of this province of the Empire? We should be curious to know what answer could be given to this question. Prince Halim, as everyone knows, is a wise, en-

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lightened, peaceable Prince, who, without displaying a paradoxical spirit, without pomp or noise, has occupied with great distinction and good sense a number of posts of a delicate and difficult nature, amongst which may be mentioned the Governor-Generalship of the Soudan and the Presidency of the Council of the Egyptian Ministry.'

"Here the *Hakikat* remarks that at Constantinople, everyone knows even those who have but little knowledge of Eastern politics, that Prince Halim has been asked several times to enter the Cabinet, but that he has always declined such offers, asking, however, for reasons that merit respect that he might be allowed to give his disinterested advice when required, and not be obliged to give his active co-operation.

"'Why,' goes on the *Hakikat*, 'should such a man be expelled from a country in which his father had left him a heritage? Why, after having been maltreated and threatened, should he have been compelled to sell this inheritance to the Prince, his nephew and persecutor? And this, too, not for a cash payment, but for a number of Bonds running over the space of forty years. They have now seized the balance of the price paid, or, rather, to be paid, for this forced sale. The Egyptian Ministry, filling up the cup of injustice to the brim, is trying to do him more harm in one twelvemonth than it had already done in the ten preceding years. Such a confiscation is revolting to public opinion. Prince Halim naturally has protested, and his protestation has been reproduced by a large number of journals, with the *Times* at the head, so that the whole world at present knows the crime that has been committed against Prince Halim. It may be asked why the Prince should have thought fit to relate from the house-tops such a scandalous family history; but the answer is not far to seek. The 'traitor'—this is the epithet applied by the *Hakikat* to Ismail Pasha —'in spite of his deposition and exile to Naples, still continued to govern from afar through his son and his Ministers. The whole evil results from the fact of Ismail having, by means of an enormous expense and large concessions, obtained a Decree from the Sultan allowing him to change the succession against the laws of Mussulman heredity. The evil also results from England and France, not seeing the whole force of this violation of the Mohammedan laws of succession, insisting on the son succeeding the father as Khedive, as if the father's faults were not almost sure to be inherited by the son. Of all the causes which obliged Ismail to abdicate we do not think we exaggerate when we say that at least 98 per cent. still exist and flourish under the new Khedive. It is generally thought that Ismaïl fell because he dismissed his two European Ministers, and Tewfik thinks he has nothing to fear, as he keeps his two Anglo-French Controllers by his side. His fall was really brought about by his dishonesty and malversations, and for his complicity with those who still carry on with

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impunity the same old system of dishonesty and malversation which caused his downfall. The discontent reigning in Egypt has resulted in a number of the scions of the richest Egyptian families banding themselves together under the name of the Young Egypt party, with the intention of letting the whole of Europe know the whole truth about the situation in Egypt, and to lay before the whole world a true account of the numerous, evils that are eating away her life. These young men have been arrested and like Prince Halim, expelled from their native country, and they naturally turn their eyes towards the Prince, who has been persecuted in the same way that they have. It is stated in certain quarters that in return for this, Prince Halim helps them with money in order that they may pay for the insertion of these articles in his favour in the public journals of Europe, but this is a slander which is very easily answered. Prince Halim, first of all, is too poor to pay for anything of the kind; secondly, he has but a very poor opinion of journals that accept of money for the insertion of articles of any sort; and, thirdly, his leading adherents are far too rich and too proud to take money for their services from any one, no matter how high he might be placed. This explains the discretion of their efforts. They confine themselves from time to time to denying, or causing to be denied, the gross falsehoods in circulation with regard to the last surviving son of Mehemet Ali. For instance, when last Prince Halim went to London, Paris, and Vienna, a story was circulated to the effect that the Sultan had forbidden him to return to Turkey, but the direct contrary was the case, for, when the Prince did return, the first thing the Sultan did was to express his regret at his prolonged absence. All this is known to the men surrounding both the Egyptian Ministry and the ex-Khedive, and if he refused his patrimony, it is only because they are afraid of him and because he has obtained such favour in the eyes of the Sultan and the higher classes of the Egyptian public. They wish, in fact, to paralyse his efforts by denying him the common necessaries of life; but we shall see later on who will be the winners of this dishonest game. Prince Halim in his last protest said that hitherto he had abstained from saying anything about the present state of things in Egypt, in order not to create fresh difficulties, but that for the future he would consider himself not only free to speak, but compelled to say certain things about the Egyptian Ministry which they would much rather not be obliged to listen to.'

"So far the *Hakikat;* but many of the passages quoted will not be readily understood unless we follow them up with some quotations from a leader in the *Stamboul*, a Constantinople paper, which is well-known to be one of the organs of Ismail. The article from which the following extracts are taken, was published at the time that Prince Halim was visiting Europe exclusively for the purpose of defending his patrimony

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and of superintending the education of his children, was as warmly received by Lord Salisbury as by M. Waddington and Count Haymerle, as well by M. Jules Grévy as by M. Gambetta.

"Prince Halim,' says the *Stamboul*, 'who is making a *Pretender's* tour in Europe, *has just been forbidden by a Sovereign Decree from ever returning to Turkey*. His Highness, having foreseen his disgrace, did not conceal the fact that he was probably leaving Turkey never to return.'

"There was so little truth in this that he wished to take the Princess with him to Europe, in order that she might see with her own eyes the educational establishment in Switzerland where he was going to place his two sons; but out of deference to the traditions of Mussulman society, he ultimately renounced this very natural project, and again for fear that the Porte should think that his absence from the capital would be prolonged indefinitely. The *Stamboul*, however, continues in the following manner: —'Welcomed to the shores of the Bosphorus with that hospitality which is proverbial in the East, Prince Halim has never ceased to conspire against his nephew, the legitimate head of the Dynasty founded by Mehemet Ali. Prodigal at one time when he possessed great wealth, he has not been able to gratify the tastes he acquired as a minor with what has been given him by the generosity of the Khedive; and later on when the source of which Ismaïl Pasha was the distributor at last dried up on account of forfeiture and ingratitude, Prince Halim could only weary the ears of Europe with his catalogue of grievances in the character of an exiled pretender.' What good purpose can be served by such a piece of rudeness? If Prince Halim had the temperament of a conspirator, or even of an intriguer against his nephew, Egypt, and the Egyptians, we should not be in the position in which we now are. He would have long since been in possession of the Citadel of Cairo, and of the Shoubrah, and to the intense satisfaction of Europe we should have been relieved from the Egyptian question. But what is most peculiar and characteristic about the Prince is, that without in any way giving up one iota of his rights as the last surviving son of Mehemet Ali, or his right of seniority, according to the laws of Mussulman succession, he dislikes the epithet 'Pretender,' in this sense, that this particular epithet does not seem to him to truly represent his position. He is a Mussulman legitimist in the highest and most noble acceptation of the word. Thus, in the days of Ismaïl, his eldest brother, it never came into his head, whatever may have been said, to oppose the Viceroy dynastically. On the contrary, seeing Prince Mustapha Fazyl Pasha between him and the Throne, and reflecting on the fact that Ismaïl had every chance of living as long, or even longer than himself, he always recommended his friends never to alienate themselves from the order of succession, which was also that of the Sultans,

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and which besides had in Egypt the consecration of European international law. This order of succession was submitted to by Prince Halim without protest on his part fourteen years ago, and again last year, when clumsily required to do so by the Anglo-French Controllers—did Prince Halim denounce this transaction to the signatory Powers of the Treaties of 1840-41? Not in the least. He held his peace with systematic obstinacy. Since then we cannot understand the justice of such attacks as the following. "It was not enough for this uncrowned Prince,' cries the *Stamboul*, 'to set against his nephew the innocent advocates of legitimacy, but the Sultan's benefactions and the hospitality lay very heavy on this ungrateful soul, so we see him turn round and bite the Imperial hand which, up to that time, had caressed him.' It is absurd to speak of Prince Halim biting the hand of Sultan Abdul Hamid, about whom he has constantly, both in England and France, expressed himself in the highest—nay, in the most sympathetic, affectionate, and even fraternal terms. The whole thing is so utterly unlikely, that it would not deserve to be mentioned if the *Stamboul* did not extend its insinuation in the following paragraph :—'The throne of the Viceroys had just become vacant. An act emanating from the Sovereign authority, and sanctioned by the European concert, had regulated the succession contrary to the old-established order, but nevertheless the Prince hoped that at the last moment Europe would alter her judgment and place this unhappy individual on the throne. But it was not so. The facts were accomplished as had previously been intended, and the "Pretender" was obliged to part with his last illusion on the accession to the throne of his Highness Tewfik Pasha. Every deception in *hating hearts* means *vengeance*, and Prince Halim thought to revenge himself by spreading about the most *odious calumnies* against the Sultan and ex-Khedive. Two organs of public opinion were established for this purpose, the *Istikbal* of Naples, and the *Abou-Nadarrah*, published in Paris, and received the inspirations of this wrongful wandering heir, and united the poison of their venomous fangs in a common concert against the Sultan and the ex-Viceroy of Egypt.' The *hating soul* of Prince Halim, his *vengeance*, and his *odious calumnies* against everybody will not stand good for a moment in the opinion of any one who has ever spoken to or even looked at Prince Halim, if only for a quarter of an hour. All the insults in the world might fall on the thick and shining armour of his good-hearted soul without hurting him. He is sufficiently strong in his own sense of rectitude to support any position that he may be sooner or later called upon to assume. We know naught about the *Istikbal* of Naples, but we would simply remark that it would be a little too innocent on the part of Prince Halim to inspire and support a paper brought out,

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so to speak, under the very windows of the ex-Khedive's Palace. As for the *Abou-Nadarrah*, it must be acknowledged that its attacks on the ex-Khedive very frequently overstepped the bounds of lawful and courteous criticism, but the publication itself was of so trifling and eccentric a description that it could not claim any political inspiration from any quarter, much less from a princely one. As for any direct attack on the Sultan, we defy the *Stamboul* to point out even one in the pages of the defunct *Abou-Nadarrah*. But how far did Ismaïl Constantinople journal want to go? Was it as far as the following shameful conclusion? 'Of all this,' concludes the *Stamboul*, 'we need take little heed. Hostility is only to be feared in the presence of an enemy having some value, and the latter is not the case with Prince Halim. A fancy, however, of a weak and unthinking relative has placed in the hands of the former guest of the Sultan a very dangerous weapon. Princess Zenob Hanoum, sister of Prince Halim, has just deprived herself, while living, of the whole of her fortune, and by anticipation has constituted her brother her living legatee to the extent of several millions of pounds. Although so rich, Prince Halim is not to be feared, but he should be well watched from a distance while living in a medium in which his hatred would chafe against the indifference of those nations whose hospitality he has been obliged to claim. We know Europe too well to think that anyone there would ever take up seriously the cause of this pretender, whose aspirations are in absolute opposition to the principles of Europe—principles, too, which she has approved of when transplanted to Egypt. Within the Empire, Prince Halim might be dangerous; the measure then is a wise one which forbids him to set foot on Ottoman soil.' But unfortunately for your prophecies, my dear *Stamboul*, Prince Halim has his foot once more firmly planted on Ottoman soil. We can easily imagine that this fact should give your Naples client some anxiety, but that is no reason why you should endow Prince Halim with an imaginary fortune, for the purpose of diminishing the disgrace of the measures taken against him by the Riaz Ministry at Ismaïl's bidding.

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APPENDIX IX.

RIAZ PASHA'S LETTER TO THE PUBLIC DEBT COMMISSIONERS.

THE following is an abstract of the letter addressed by Riaz Pasha to the Commissioners of the Public Debt :—

Writing on February 23, in reply to the letter of the Commissioners of the 4th of the same month, in which they ask him to pay over to them the revenues which were recently diverted from the service of the Public Debt, Riaz Pasha promises to pay the Customs receipts to the Caisse, but declares that the other revenues must still be kept back, which, he adds, are of much less importance. He replies to the question put by the Commissioners as to the reason for the adjournment which has taken place in settling the general financial position of the country by regretting the delay, which, if prolonged, must do great harm to the credit of the Egyptian Government, stop the progress of administrative reform, increase the charges on the Treasury, and injuriously affect the interests of the creditors of the State. He, however, declines to assume any responsibility in the matter. He goes on to assert that the Government has done all in its power to carry out the measures of reform recommended by the Commission of Inquiry, and recites a list of reforms already accomplished. To begin with, the Government did not hesitate before encountering the difficulties brought about by the suppression of the Moukabalah. The Commission of Inquiry also demanded that a surtax of £st. 150,000 should be laid on the Oushouri lands, and these wishes were complied with by the Decree of January 18, 1880, which also abolished the personal and professional tax, and a number of other petty vexatious imposts. The salt tax was changed from a capitation tax to an excise duty. The system

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of forced labour had been abolished, and the incidence of the taxes necessary for the carrying on of public works were in course of being more equitably distributed. This complex question had not, however, been settled, but a tentative measure had been brought forward for the present year. For the first time in Egypt a regular Budget had been published and promulgated, and for the future the expenditure of the country would be strictly in accordance with the yearly financial statement. By a contract with the Ottoman Bank an account current had been opened, which would allow them, to a certain extent, to demand payment of the taxes only at those periods when those upon whom they were levied would find it most convenient. A Commission had been issued to decide complaints relating to over-taxation preceding the establishment of a special tribunal *ad hoc*. No taxes were to be levied except in virtue of a law published and promulgated officially, and the land tax was to be settled by means of a cadastral survey. A Commission has been issued for the purpose of codifying the laws relating to land tax, and to inquire into the results already obtained by the cadastral survey. A series of regulations with respect to the dates to be fixed for the payment of the land tax had been laid before the Government by this Commission, and will be put into execution during the present year. A trial of these regulations has already taken place in the province of Ghiseh. A complete collection of laws promulgated since 1876 was being printed, and for the future would appear every month. The method of levying the tax on native tobacco has also been reformed. The Government has furthermore done all in its power to bring about a settlement of the financial situation of the country. It had paid during December and January about £st. 1,100,000 to the holders of Non-Consolidated Debt, and it was then negotiating with the foreign Governments to obtain their consent to the payment of the arrears of the tribute, and the salaries and pensions of various officials, out of the balance of the Domainal Loan, as had been asked for by the Commission of Inquiry. The claims of the Grand Syndicate and of Messrs. Greenfield had also been settled. The Government had appointed several Commissions to inquire into the value of property belonging to it which could be sold or otherwise alienated. With respect to the Consolidated Debt, a letter of the Khedive had made known the engagements which the Government was ready to enter into with the bondholders. The inquiries with regard to the method of liquidating the Floating Debt had been pursued with vigour, but the matter had been delayed by the objections raised by Messrs. Rothschild claiming exemption from taxes with respect to Domains guaranteeing the 1878 Loan, refusing to pay the balance of the Loan except their claim was allowed. The rights of the Government are so clear, that Riaz Pasha

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hopes to arrive at a settlement without being obliged to have recourse to the Courts.

So far what has been already done; as for the future, the letter goes on to say that even when the balance of the Rothschild Loan is poured into the Treasury, the Government will not be able to hand it over to the creditors, for whose benefit the money was raised; the Khedive and his family have therefore raised money for the purpose on their private estates. This Loan is concluded, but the consent of fourteen Powers is necessary before a single creditor can be paid. If only one of these Powers makes an objection, the payment of a debt bearing interest at the rate of twelve per cent. per annum must still be allowed to run, the payment of the tribute must be stopped, as well as the salaries and pensions of certain officials, which are already several years in arrear. Suppose the fourteen Powers agree, new difficulties will arise. Thus the Commission of Inquiry recognised the principle that, as far as the Consolidated Debt is concerned, the resources of the Government did not allow it to continue the payment of seven per cent. interest; while, in the case of the Floating debt, it was felt to be absolutely necessary to call on the creditors to make sacrifices which will have the effect of relieving the country from future burdens which it could not support. The holders of Daïra Bonds and the secured creditors naturally refused to make any sacrifice, and have obtained payment in full, and others hope by similar means to reach the same results, forgetting that the forced payments already made are an obstacle to their claims being admitted. The Egyptian Government is not the only one that has been obliged to reduce the interest on its debt. Other Governments have done the same thing before now, but with this difference, that their creditors had no tribunal to appeal to as in the case of Egypt. If the true interests of the creditors of the Egyptian Government are considered, it must be seen that their claims are fatal to them. The quotations of Unified Debt have risen under the reduction of interest, showing that the majority of holders consider the measure as being necessary to guarantee the very existence of their security. If the claims alluded to be admitted, the Government will be unable to meet the judgments pronounced against it, and there will be an unavoidable collision between what ought to be done and what can be done. Egypt contains all the elements of a durable prosperity, and the Government has entered on reforms which will cause it to develop. Complete conformity exists between the Controllers and the Ministers, but these elements of promise are paralysed by the principle of internationality, rendering it impossible to profit by these happy conditions. The letter concludes by declaring that a Government cannot live if it cannot legislate, and a sufficient measure of free action

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must be restored to Egypt, or the Powers must exercise this duty harmoniously with it, in which case the Government will accept and name a Committee of Liquidation, in accordance with the Report of the Controllers, which the Council of Ministers adopted. But if this agreement to intervene means long negotiations, the actual situation cannot be prolonged without putting in peril the vital interests of the country and of the creditors, besides which, the steps necessary for the safeguarding of those very interests cannot be indefinitely postponed.

"These, then, gentlemen, are the true causes of the delay witnessed in the promulgation of the financial settlement. The responsibility of that delay in nowise rests on this Government, which does not cease to do all it can to hasten a solution, the urgency whereof it is the first to recognise.—Veuillez agréer, &c. (Signed) "RIAZ."

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APPENDIX X.

PRINCE HALIM AND THE EGYPTIAN GOVERNMENT.

THE following important correspondence appeared in the *Times* having been sent to that paper by its Paris correspondent :—

"Cairo, Dec. 27, 1879.

"Monseigneur,—I have the honour to inform your Highness that the Ministry of his Highness the Khedive, led by the financial situation of the country to examine the contract concluded on the 12 Rabi-ul-Akher, 1287 (July 11, 1870), between your Highness and his Highness Ismaïl Pasha, then Khedive of Egypt, and the dotation to be settled on your Highness, has thought itself bound to adopt with regard to that contract and that dotation the following decisions :—1. The dotation of his Highness Prince Halim is fixed at £15,000 sterling per annum. 2. The Halim Bonds due to the end of 1879 and remaining unpaid shall be comprised in the settlement of the Non-Consolidated Debt. 3. Those Bonds which fall due in 1880 and 1881, and of which the Prince shall have disposed conformably to the terms of the 12 Rabi-ul-Akher, 1287 (July 11, 1870), will also be comprised in the settlement of the Non-Consolidated Debt. 4. The remainder of the Halim Bonds are declared annulled, and are to be destroyed, the Government hereby declaring that they will not be paid. Consequently, the present decision will be communicated to the Bank of England, with instructions to hand over to the Egyptian Government all the Bonds at present deposited with that bank. 5. His Highness Prince Halim will be entitled to successions which may arise from the 1st of January, 1880, and which he renounced by contract, under date the 12 Rabi Akher, 1287 (July 11, 1870.) 6. The payment of the £15,000

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sterling fixed as the dotation to Prince Halim is made dependent on the restitution of the Bonds deposited at the Bank of England. 7. Should the Prince have disposed of the four Bonds falling due in 1880 and 1881, no part of the £15,000 will be paid to him during these two years. I venture to hope, Monseigneur, that your Highness will deign to appreciate the imperative reasons of economy which have dictated this decision, which is otherwise justified by the inequality of the advantages resulting from the before-mentioned contract.

"I have the honour to be, with the profoundest respect, &c.,

"RIAZ."

"Cairo, Jan. 21, 1880.

"Monseigneur,—Conformably with the decision of the Ministerial Council of the 1 Moharrem, 1297 (December 15, 1879), of which I had the honour to inform your Highness by my letter of the 27th of December last, I requested the Bank of England to deliver over to the Government of his Highness the Khedive the Bonds it had received on deposit by virtue of the contract of the 12 Rabi-ul-Akher, 1287 (July 11, 1870.) In his reply, dated the 8th of January, the Governor of the Bank of England informs me that the Bonds in question had already been withdrawn by your Highness on the 3rd of December last. I have consequently the honour to request your Highness to be good enough to hand over to the Minister of Finance of his Highness the Khedive all the Bonds in question, the restitution of them being a condition of the payment of the dotation decided upon for your Highness's benefit.

"I have the honour, &c.,

"RIAZ."

"Constantinople, Feb. 2, 1880.

"Highness,—By a letter dated the 27th of December, which reached me on the 22nd ult., his Excellency the President of the Egyptian Council of Ministers has communicated to me a decision of that Council respecting the execution of my contract of 1870, and according to which a credit of £60,000 per annum on the Egyptian Government has been declared annulled from the year 1882, to be substituted from that date by an annual dotation of £15,000 sterling. Notwithstanding the reserve I have imposed on myself for two years, so as not to add to the complications of the crisis Egypt is undergoing, I am now obliged to break that silence to repel so direct an attack on my rights by the decision of the Council. I embrace this opportunity of disposing once for all of confusions and ambiguities by re-establishing the facts and the nature of all my rights in all their exactitude. It seems that the Council of Ministers has sought to obscure this clear question, and to distort, as if purposely, the character

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of a very simple convention. I see, indeed, by the letter of the President of the Council, that the Ministers have attentively examined the Convention of 1870, that they have studied its clauses, that they even invoke certain important conditions of it, yet they persist in describing my vendor's credit as a dotation or allocation, unmindful of the most elementary notions of right, and without appearing embarrassed by the strange contradiction into which they fall. It is time to put a definitive end to sophisms which have lasted only too long. I recall, therefore, that more than ten years ago I spontaneously and publicly renounced all appanages or dotations to which I was entitled as an Egyptian Prince. Ever since I have thought only of the preservation of my patrimony, and my relations with the Egyptian Government have always been those of a private individual. Such is especially the character of the contract of the 11th of July, 1870. That document, which mentions my appanage only to certify that I have renounced it, is purely and simply a convention of sale. It, in fact, stipulates in the most express terms that, in return for the sale and cession I was making of my then property in Egypt, as also of the future heritages which I renounced in anticipation, the Khedive and Egyptian Government, as purchasers jointly, undertook to make me for forty years half-yearly payments by Treasury Bonds to bearer of £30,000 sterling. The total value in 1870 of these Bonds, due at different dates, was thus the equivalent of the property ceded and of future successions; that is to say, it represented the pure and simple price of an ordinary sale, with this single peculiarity—that, instead of being claimable immediately, the payment of the price was, in the purchaser's interest, spread over the long period of forty years. A credit based on the contract of 1870 has, therefore, the unquestionable character of a vendor's credit; consequently, it is guaranteed by all the rights and privileges established in the interest of a vendor—that is to say, not only the right of claiming the direct fulfilment of the contract, by requiring of the purchaser the payment of the stipulated price, but also the power, sanctioned by all legislation, of demanding the cancelling of the sale when the purchaser has ceased to observe his engagements. My situation would certainly not be worse by exercising this right of cancelling. I remark on this point that, in the aforesaid letter of the 27th of December, the President of the Council seeks to justify the recent Ministerial decision by appealing to 'the inequality of the advantages which resulted from the contract of 1870.' The fact in itself is assuredly correct, but I did not think it necessary to say that the one-sidedness in the conditions is to my prejudice, not to that of the Government and the Khedive. Is it necessary to recall in what circumstances I had to subscribe to the Convention of 1870? Everybody in Egypt knows that when I resigned myself to that forced sale I had

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already been two years arbitrarily banished from my country, and that, powerless and at a distance, I saw my patrimony confiscated. To assert that in these circumstances I was free advantageously to discuss the conditions of the contract of sale is truly a strange assertion in the mouth of Egyptian Ministers, and especially of the Prime Minister, Riaz Pasha, who was the negotiator and framer of that convention. It would, in fact be easy for me to show that the value of the generality of the property alienated in 1870, of the heritages falling in for my benefit since that date, and of the revenues from these divers properties, may be estimated at a greater sum than the real amount of the Bonds issued in 1870. I shall make this estimate upon incontestable *data* should it become necessary To explain the reduction adopted by the Ministry, the Premier again in his letter cites the imperative reasons of economy calling for this reduction. I shall not here try to ascertain whether the finances of Egypt are as involved as is asserted, nor whether the present Government takes the proper means to restore them. I shall confine myself to saying that, having regard to embarrassments, it has not been in my power to spare my country. I showed myself ready to assume my share of the common sacrifices while endeavouring to facilitate for the Egyptian Government the settlement of my claims. It was with this intention that I communicated to the Ambassadors of France and England at Constantinople, as representatives of the Powers which exercise the financial control in Egypt, a scheme for the settlement of my Bonds, consisting in their reduction to their present value by way of discount, and the insertion of the sums thus obtained in the Floating Debt. But I have always rejected, as I still reject, any scheme which would have the effect of arbitrarily reducing my claims, and inflicting on me a more disadvantageous treatment than that of the other creditors of the Government. It is comprehensible that a Government with a deficit should act like a private person in difficulties—that is to say, that it should provisionally offer its creditors part payment of the sums due pending their definite settlement. But such a measure, always damaging to the credit of the Government decreeing it, is not admissible except so far as it is necessary, and, above all, quite general. Any distinction—nay, inequality—between debts of the same nature would be a shocking injustice, and would seriously imperil the credit and honour of the Government guilty of it. It would no longer be a reduction or composition which the State deficit might excuse, but simply an odious and violent spoliation. It is, however, an injustice of this kind which has been decreed against me by the recent decision of the Council of Ministers. I, therefore, reject this decision, and denounce it as arbitrary, illegal, and iniquitous, formally protesting against the violation of my rights, and reserving the right of resorting, if

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necessary, to all the legal means open to me of getting this unjust measure withdrawn and annulled, claiming the pure and simple fulfilment of the obligations undertaken towards me by the Egyptian Government. For my country's sake, even more than my own, I hope your Highness will accept this protest, and deal rightly with it.

'Believe me, Highness and dear nephew,

"Your affectionate uncle,

"HALIM."

It is very clear that the European Powers will decline to be parties to the impudent act of confiscation against which Halim Pasha protests.

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